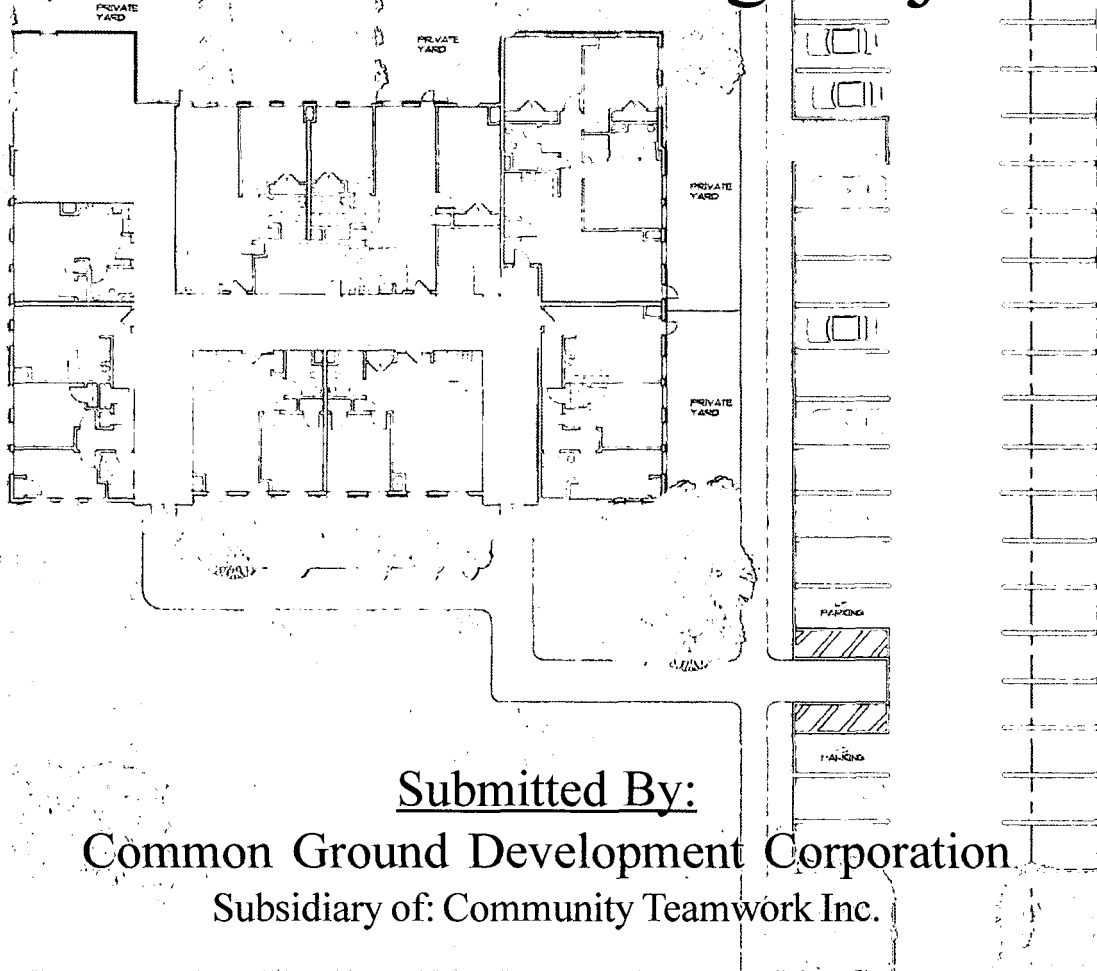


SCHOOL STREET

Acton Towne School Affordable Housing Project



Submitted By:
Common Ground Development Corporation
Subsidiary of: Community Teamwork Inc.

March 30, 2006

MASSACHUSETTS AVE.

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COMMON GROUND DEVELOPMENT CORP.
167 Dutton Street, Lowell, MA 01852
(978) 452-3956

March 30, 2006

Don P. Johnson
Town Manager
Acton Town Hall
572 Main Street
Acton, MA 01720

Dear Town Manager:

Common Ground Development Corporation (CGDC), a non-profit housing development subsidiary of Community Teamwork Inc. (CTI), is pleased to submit this proposal in response to the town of Acton Request for Proposals for the Towne School property.

CTI has a long-standing commitment to working with communities to improve education, housing and quality of life. Now in their 41st year, CTI formed Common Ground Development Corporation (CGDC) three years ago to address the pressing need for creating affordable housing opportunities. Our mission is to form effective partnerships with local communities that will result in the development of first quality housing in a manner that is consistent with our community partner's capacity to manage growth. We applaud Acton for seeking proposals to reuse the Towne School to respond to housing needs within your community.

As a non-profit, CGDC is committed to reinvesting as much as possible back into the communities that we serve. As a designated Community Housing Development Organization (CHODO), we also are uniquely positioned to obtain project based funding from public sources that are crucial to offset today's high costs for materials and construction.

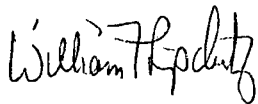
Our development team is proud of our design concept for TOWNE SCHOOL. We seek to return the building exterior to its original historic design and request its designation as a historically significant building. We believe that our design respects and complements

the architectural and aesthetic quality of the building and Acton as a whole. And historic preservation tax credits play an important part in our efforts to exceed your minimal affordability thresholds. Our design also offers appropriately designed space for artists with high ceilings, open floor plans and natural light. Our goal is for TOWNE SCHOOL to offer the community quality affordable and market priced housing that adds to the sense of neighborhood and community.


Our development team, individually and as a group, has substantial professional real estate experience in planning, finance, design, construction and property management. We are confident that a "partnership" with the Town that is based on open communication will result in a successful development. All of us look forward to working with you to that end.

The TOWNE SCHOOL team is available to meet with you at your convenience and looks forward to the opportunity to respond to your questions.

Sincerely,



William F. Lipchitz
Deputy Executive Director
Community Teamwork, Inc.



Steven Joncas
Executive Vice President/CEO
Common Ground Development Corp

Towne School Affordable Housing Development

2. Project Narrative

Project vision

Common Ground Development Corporation and the Towne School Development Team are committed to promoting a sense of “Community” in the development of Towne School. The Team envisions the creation of a sense of community where residents share common interests and benefits. Our vision is to build high quality sustainable housing that is reflective of a community’s roots, its historic beginnings. The Towne School design is intended to provide its residents a place for social, cultural and recreational interaction. We seek to achieve sustainable growth by designing Towne School with appropriate measure to protect natural resources while also providing residents with access to transportation and area retail, municipal and professional services. In addition to proper land planning, the building design will incorporate energy efficient standards to reduce consumption levels.

Accordingly, Towne School shall reflect our underlying commitment to design and develop residences that incorporate elements of Acton’s traditional New England style by seeking to redevelop the property in accordance with historic preservation standards.

Narrative description of the development concept

The main focus of Towne School Residences is on creating a first quality residential community. After closely examining the building and the surrounding area, the Towne School Residences team determined that four guiding principals are central to our development concept:

1. **Affordability: Provide Housing Opportunities Consistent with Acton’s Housing Plan**

The following outlines a development program that is intended to maximize the number of affordable housing units within acceptable financial risk parameters. We believe that the proposed combination of market rate and affordable units is consistent with market demand, the town’s capacity to absorb growth and the stated need for affordable rental homes.

The Towne School Residences Development Team reviewed several alternatives including the development of the minimum rental requirements stipulated by the RFP. We determined that with the appropriate combination of financing and equity a 60/40 split of market/affordable units (with 40% of the units at 60% of the Area Median Income) is doable.

Summary of Proposed Unit Types and Affordability

Total Number of Units = 17	Affordable Target - 60% of AMI	Percentage of Affordable = 40%	Number of Affordable Units = 7	Number of HUD FMR Units = 10
	One Studio at 60% or < AMI	Two 1 BR at 60% or < AMI	Three 2 BR at 60% or < AMI	One 3 BR at 60% or < AMI

2. Traditional Building Design: Apply high quality building design that reflects Acton's and the building's historic tradition.

The Town of Acton has a wonderful collection of traditional New England architecture. Many of the houses in the community are typical of old style New England colonials, particularly in the Town Center. We note that the RFP reserves the right to place the Towne School on the National Register of Historic Places. We support the preservation and restoration of the building. In fact, we seek placement on the Register as a way of enhancing and protecting the building as well as securing much needed equity financing through Historic Investment Tax Credits. In this way, our team believes that the building will complement the character of other Acton buildings and offer residents a highly attractive building.

3. Offer a variety of finishes to foster "Community".

The arts play a significant role in the character of any community including Acton. The RFP proposes consideration of artist 'live work space', a concept that has helped to revitalize community spirit. One needs only to travel to nearby Lowell where artist lofts in historic buildings have transformed a once dower downtown into an active, vibrant community. Our team proposes to work with town officials to identify an appropriate number of studio and 1 BR units for development as "Artists Lofts". The building's high ceilings and historic character offer potential. We see introducing artists living and work space as a means of strengthening the sense of connection between the residents of Towne School Residences simply by making it a more interesting place to live..

4. Protect and facilitate appropriate use of environmental resources

The Towne School Residences development team is committed to working with town boards and commissions to incorporate appropriate design measures that will comply with requirements for tying into your wastewater system and take appropriate stormwater management steps including treatment and recharge. As part of our commitment to sustainable development, the *Towne School Residences* design will include certain "Energy Star" conservation measures.

ACTON TOWNE SCHOOL AFFORDABLE HOUSING DEVELOPMENT

3. Copy of the Lease indicating changes, if any, requested by the proposer

Common Ground legal counsel provided us with a preliminary review of the Lease. Attached are his handwritten notations on various sections.

As indicated, Common Ground is a non-profit subsidiary of Community Teamwork, Inc., a non profit community action program organization.

Each reports to a Board of Directors who has fiduciary responsibilities to the community and the various public and private organizations that provide CTI with financial resources. Many of our attorney's comments are reflective of that responsibility.

Common Ground has recent experience with a long term lease with a municipal agency. The Residences at Stony Brook in Westford were constructed under a lease agreement. If selected as the designated developer, Common Ground is confident that efforts to finalize a mutually agreeable lease will be successful and we look forward to working with you to that end.

1 interference with or disruption of Tenant, Tenant's business, its occupants, its operators and its
2 lessees.

3 (b) Upon reasonable prior notice to Tenant, the Town of Acton shall have the
4 right to apply to have the Building and/or the Property listed on the National, State, and/or Local
5 Register(s) of Historic Places during the Term of the Lease..

6 1.3 Condition of the Premises. Tenant acknowledges that it has leased the Premises
7 after a full and complete examination of the Premises, including, without limitation, any
8 encumbrances, subsurface conditions, existing structures thereon, if any, the presence of any
9 asbestos or other Hazardous Materials (as defined in Section 12.4 below) located on, in or under
10 the Premises or within such structures, legal title, their present uses and non-uses, and laws,
11 ordinances, and regulations affecting the same and the ability of Tenant to use the Premises for
12 its intended purposes, and accepts the same in the same condition in which they or any part
13 thereof now are, and except as otherwise expressly provided in this Lease, waives all rights to
14 object to the condition thereof and assumes all risks in connection therewith, without any
15 representation or warranty, express or implied, in fact or by law, on the part of the Town of
16 Acton, and without recourse to the Town of Acton.

17 18 ARTICLE 2 19

20 TERM

21 2.1 Term. The Premises are hereby leased unto Tenant and its successors and assigns
22 for a fifty (50) year term (the "Term"), commencing on the earlier of the Date of the Tenant's
23 Construction Loan Closing or _____ (the "Commencement Date") and unless earlier
24 terminated in accordance with the provisions hereof, ending on the next business day before the
25 fiftieth anniversary of the Commencement Date (the "Termination Date").

26 2.2 Early Termination. Tenant agrees that if construction of the Initial Improvements
27 has not commenced (as defined in Section 3.1 below) by the Outside Construction Start Date (as
28 defined in Section 3.1 below), or if Final Completion (as defined in Section 3.1 below) of the
29 Initial Improvements has not occurred within 12 months of the Outside Construction Start Date
30 (as defined in Section 3.1 below), the Town of Acton may elect to terminate this Lease upon
31 ~~thirty (30)~~ days' written notice to Tenant; provided, however, that if the Initial Improvements are
32 completed within such ~~30~~-day period, such termination notice shall be null and void and this
33 Lease shall continue in full force and effect.

NINETY (90)

NINETY (90)

as the
case may be

if the Initial Improvements
are commenced within such
ninety (90) day period or

1 Drafting Note: Unless otherwise agreed in conjunction with a pre-commencement Development
Agreement to be negotiated covering critical path Project activities prior to the Commencement Date of the Lease.

including but not limited to appeals of adverse decisions relating thereto

1 any reasonable documents which may be necessary to obtain or maintain any Required Permit or
2 Required Approval and shall further cooperate with Tenant in obtaining or maintaining any
3 Required Permit or Required Approval, as Tenant may from time to time reasonably request;
4 *provided, however,* that with the exception of zoning or other matters, where the Town of
5 Acton's execution of petitions, application, appeals or other documents or joinder in proceedings
6 may be required as a condition to Tenant's proposed action, the Town of Acton shall in no event
7 be required to join in or become a party to any ~~document or~~ proceeding in which it will oppose
8 the Commonwealth of Massachusetts or any agency, authority, branch, division, office or
9 subdivision of or for the Commonwealth of Massachusetts, nor shall the Town of Acton be
10 required in connection with any such ~~document or~~ proceeding or otherwise to oppose in any way
11 any policy previously established by the Town of Acton nor to take a position inconsistent with a
12 position previously taken and made public by the Town of Acton. As stated in the RFP, the
13 Town of Acton's Board of Selectmen will consider, reasonably and in good faith, any request by
14 the Tenant to support the Tenant's filing of a Comprehensive Permit under M.G.L. Chapter 40B
15 if required for the completion of the Initial Improvements and operation of the Premises for the
16 Permitted Use, and will support that request for an appropriate Comprehensive Permit consistent
17 with and to effectuate the purpose of this Lease Agreement. Tenant understands and agrees that
18 the Board of Appeals of the Town of Acton is a quasi-judicial decision-making body and that the
19 Town of Acton makes no representation or assurance as to how the Board of Appeals may act on
20 or condition any such Comprehensive Permit.

21 (c) Tenant may contest, in good faith and on the same terms and conditions as
22 provided in Section 8.4, the validity or applicability of any Legal Requirement (as defined in
23 Section 8.3 below) which is the basis for any Required Permit or Required Approval.

24 3.5 General Contractor, Development Team. The Tenant shall provide to the Town
25 of Acton a list including the names of each member of Tenant's development team, including
26 without limitation Tenant's general contractor, architect and landscape architect for the design
27 and construction of the Initial Improvements consistent with the Tenant's response to the RFP.
28 No member of Tenant's development team shall, for any purpose related to the Tenant's Initial
29 Improvements, be considered to be a contractor or subcontractor to the Town of Acton with
30 respect to the Tenant's Initial Improvements. Each such member of Tenant's development team
31 shall be under contract with and under the supervision of the Tenant.

32 3.6 Ownership. During the Term, the Initial Improvements shall be vested in Tenant,
33 and Tenant shall be entitled to any depreciation deductions and investment tax credits thereon for
34 income tax purposes. Upon the expiration or earlier termination of this Lease, Tenant may
35 remove all such improvements made by the Tenant to the Premises and shall thereupon restore
36 the Premises to the condition as of the commencement of the work on the Initial Improvements,
37 reasonable wear and tear excepted. In the event the Tenant fails to complete such removal and
38 restoration within 90 days after the expiration or earlier termination of this Lease, title to the
39 Improvements shall immediately vest in the Town of Acton and shall be surrendered at that time
40 in accordance with Section 15.1 below.

41 3.7 Reproducible Drawings. Within ninety (90) days after Final Completion of the
42 Initial Improvements or any other Tenant Work affecting the exterior of the Premises, Tenant
43 shall prepare at its expense and deliver to the Town of Acton one complete, legible and

1 reproducible full-sized set of as-built plans showing the Initial Improvements or such Tenant
2 Work, as the case may be, together with a certified survey plan.

3 3.8 Manner of Construction; Cost of Initial Improvements. Tenant shall construct all
4 Tenant Work in a good and workmanlike manner, in compliance with Legal Requirements and
5 good engineering and construction practices. The Initial Improvements shall be constructed in
6 material compliance with the Final Plans and in strict compliance with the Required Permits.
7 Tenant shall take all reasonably necessary measures to (i) minimize dust, noise and construction
8 traffic, (ii) minimize any damage, disruption or inconvenience caused by Tenant Work, and (iii)
9 make adequate provision for the safety and convenience of all persons affected thereby and to
10 properly police same. Dust, noise and other effects of such work shall be controlled using
11 commercially accepted methods customarily utilized in order to control deleterious effects
12 associated with construction projects in a populated or developed area. Tenant shall pay (or
13 cause to be paid) all costs and expenses associated with any Tenant Work (including, without
14 limitation, all architectural, engineering, construction, legal and consultant fees and costs) and
15 shall defend, indemnify and hold the Town of Acton Parties (as defined in Section 7.13 below)
16 harmless from and against any and all claims, damages, losses, penalties, costs, expenses and
17 fees (including without limitation reasonable legal fees) (collectively, "Claims") attributable to
18 the performance of any Tenant Work.

19 3.9 Tenant's Responsibility to Discharge Liens.

20 (a) ~~If any mechanic's, laborer's or materialman's lien shall at any time during~~ *take commercially reasonable efforts to*
21 ~~the Term be filed against the Premises, the underlying fee, or any part thereof with respect to the~~
22 ~~performance of any labor or the furnishing of any materials to, by or for Tenant or anyone~~
23 ~~claiming by, through or under Tenant, Tenant, within thirty (30) days after notice of the filing~~
24 ~~thereof, shall cause the same to be discharged of record by payment, deposit, bond, order of a~~
25 ~~court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be~~
26 ~~discharged within the period aforesaid, then, in addition to any other right or remedy, the Town~~
27 ~~of Acton may, but shall not be obligated to, discharge the same either by paying the amount~~
28 ~~claimed to be due or by procuring the discharge of such lien by deposit or by bonding~~
29 ~~proceedings. Any amount so paid by the Town of Acton and all costs and expenses incurred by~~
30 ~~the Town of Acton in connection therewith, together with interest at the prime rate of interest~~
31 ~~reported from time to time in the Wall Street Journal or any successor publication plus two~~
32 ~~percentage points (the "Default Rate") from the respective dates of the Town of Acton's making~~
33 ~~of the payment or incurring of the cost and expense until paid in full, shall constitute Additional~~
34 ~~Rent (as defined in Section 4.1 below) under this Lease and shall be paid by Tenant to the Town~~
35 ~~of Acton on demand.~~ *a commercially reasonable time*

36 (b) Notwithstanding the foregoing, Tenant may contest, in good faith by
37 appropriate proceedings, at Tenant's sole expense, the amount or validity in whole or in part of
38 any mechanic's, laborer's or materialman's lien, and may defer the discharge of record thereof,
39 provided that:

40 ~~(i) Tenant shall provide the Town of Acton with security reasonably~~
41 ~~satisfactory to the Town of Acton or shall bond over to assure payment of contested item;~~

1 (ii) ~~Tenant shall immediately pay or shall bond over such contested~~
2 ~~item or items if the protection of the Premises or of the Town of Acton's interest therein from~~
3 ~~any lien or claim shall, in the reasonable judgment of the Town of Acton, require such payment;~~

4 (i) ~~(iii)~~ The Town of Acton shall not be required to join in any proceedings
5 referred to herein unless the provisions of any law, rule or regulation at the time in effect shall
6 require that such proceedings be brought by or in the name of the Town of Acton. The Town of
7 Acton shall not be subjected to any liability for the payment of any loss, costs or expenses in
8 connection with any such proceedings, and Tenant shall defend, indemnify and save the Town of
9 Acton Parties (as defined in Section 7.13 below) harmless from and against any such loss, costs
10 and expenses; and

11 (ii) ~~(iv)~~ Notwithstanding the provisions of Subsection (iii) above, the Town
12 of Acton shall not be required to join in or become a party, nominal or otherwise, to any
13 proceeding in which it will oppose the Commonwealth of Massachusetts or any agency,
14 authority, branch, division, office or subdivision of the Commonwealth of Massachusetts, nor
15 shall the Town of Acton be required in connection with any such proceeding or otherwise to
16 oppose in any way any policy previously established by the Town of Acton nor to take any
17 position inconsistent with a position previously taken and made public by the Town of Acton.

18 Subject to the foregoing, and without cost to it, the Town of Acton shall promptly
19 execute and deliver any reasonable documents which may be necessary to permit Tenant so to
20 contest any such lien and shall further cooperate with Tenant in such contest, as Tenant may
21 from time to time reasonably request.

22 3.10 No Consent. Nothing contained in this Lease shall be deemed or construed in any
23 way as constituting the consent to payment or request of the Town of Acton, express or implied,
24 by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the
25 performance of any labor or the furnishing of any materials for any specific improvement,
26 alteration to, or repair of the Premises or any part thereof.

27 3.11 No Agency Relationship. Based on (a) the provisions of Chapter 487 of the Acts
28 of 2002, (b) the provisions of the Uniform Procurements Act for the disposition by Lease of
29 Town-owned property, (c) guidance afforded by the Attorney General's office with respect to
30 considerations for determining whether bidding laws for public construction apply to a long-
31 term municipal lease that contemplates the construction of affordable housing by a private
32 developer on public land, (d) guidance issued by the Chief Counsel of the Department of
33 Housing and Community Development with respect to that same issue, and (e) interpretations of
34 the purpose, intent, and scope of the bidding laws for public construction by Massachusetts
35 Courts and by the Attorney General's Business and Labor Protection Bureau, the Town of Acton
36 and the Tenant separately expect and intend (without any warranty or representation by the other
37 party with respect thereto) that this Lease, including without limitation its provisions applicable
38 to the Tenant's Work on the Initial Improvements under Article 3, is not subject to bidding laws
39 for public construction, including without limitation G.L. c. 149, §§ 44A-44J, G.L. c. 30, § 39M
40 et seq., and G.L. c. 7, § 38K. In the event that a Court of competent jurisdiction issues a final,
41 binding, conclusive Judgment that such bidding laws for public construction do apply to
42 Tenant's work under Article 3 or other aspects of this Lease, then the Town of Acton and the
43 Tenant shall have sixty days from the entry of that Judgment to enter into a further written

1 agreement as to how said bidding laws for public construction shall be complied with in
2 conformity with said Judgment. In the event the parties fail to reach such an agreement within
3 said sixty days (or such additional time as they may agree), then the Town of Acton may
4 terminate this lease by written notice to the ~~Tenant~~ ^{other} within thirty days thereafter. ^{or Tenant}

ARTICLE 4

RENT

4.1 Rent.

5
6
7
8
9 (a) Commencing on the Commencement Date and continuing thereafter
10 throughout the Term, Tenant shall pay to the Town of Acton annual base rent ("Base Rent") in
11 the amount of _____ Dollars (\$___), [which amount shall be paid in payments of _____
12 Dollars (\$___) on the first day of _____ in each calendar year thereafter during the Term
13 OR in equal monthly installments of _____ Dollars (\$___), partial months to be
14 prorated]. [Base Rent shall be adjusted annually throughout the Term, as of the anniversary of
15 the first day of the first full calendar month following the Commencement Date to the extent of
16 any percentage change which occurred in the Consumer Price Index during the preceding twelve
17 (12) months. The Town of Acton shall promptly notify Tenant of each Base Rent adjustment.
18 For the purposes hereof, the Consumer Price Index shall mean the United States Bureau of Labor
19 Statistics (the "Bureau") Consumer Price Index for All Urban Consumers, Boston Metropolitan
20 Area, All Items (1982-1984=100). If the Consumer Price Index shall be converted to a different
21 standard reference base or otherwise be revised, a determination of a Consumer Price Index
22 Increase shall be made with the use of such conversion factor, formula or table as may be
23 published by the Bureau or, if the Bureau shall not publish the same, then with the use of such
24 conversion factor, formula or table as may be published by any nationally recognized publisher
25 of statistical information, reasonably selected by the Town of Acton. If the Consumer Price
26 Index shall cease to be published, then there shall be substituted for Consumer Price Index any
27 substitute or successor index published by the Bureau or other governmental agency, or if no
28 such index is published, then such other index published by any nationally recognized publisher
29 of statistical information as the Town of Acton shall reasonably select. The Consumer Price
30 Index as of the Commencement Date or any anniversary thereof means the Consumer Price
31 Index most recently published prior to the date in question.]

32 (b) In addition, Tenant shall pay any fee, charge or other amount required to
33 be paid by Tenant to the Town of Acton under this Lease as additional rent ("Additional Rent").
34 Base Rent and Additional Rent (collectively, "Rent") shall be paid without counterclaim, notice,
35 demand, abatement or offset at the Town of Acton's address set out in Section 18.2. It is the
36 intention of the parties that the Rent payable hereunder shall be net to Landlord.

37 4.2 Late Payments. Any payment of Rent due hereunder not paid when due shall bear
38 interest for each month or fraction thereof from the due date until paid in full at the Default Rate.

39 4.3 Payments by Tenant. All costs, expenses, liabilities, charges or other deductions
40 whatsoever with respect to the Premises and the construction, ownership, leasing, operation,
41 maintenance, repair, replacement, rebuilding, use or occupation of the Premises or with respect

to any interest of the Town of Acton in the Premises or this Lease shall be the responsibility of Tenant.

4.4 Rent to be Absolutely Net. It is the express understanding and agreement of the Town of Acton and Tenant that the Base Rent due and payable hereunder shall be absolutely net to the Town of Acton, so that this Lease shall yield to the Town of Acton the Base Rent specified above during the Lease Term, and that all expenses of every kind and nature whatsoever, whether ordinary or capital in nature, relating to the construction, ownership, leasing, operation, maintenance, repair, replacement, rebuilding, use and occupation of the Premises, during the Term of the Lease shall be paid by Tenant (including, but not limited to, Impositions, as defined in Section 5.1 below), without cost or obligation of any type to the Town of Acton whatsoever.

ARTICLE 5

TAXES AND UTILITIES

Possible "PILOT Agreement?"

5.1 Impositions. Tenant shall pay or cause to be paid as Additional Rent, before any fine, penalty, interest or cost may be added thereto for the non-payment thereof, all taxes, assessments, special use or assessment district taxes, water and sewer charges, excises, levies, license and permit fees and all other governmental charges of any kind and nature which during the Term may be assessed, levied, imposed upon or become due with respect to, or become a lien on the Premises or the leasehold, or any part thereof, or any appurtenance thereto, and payments in lieu of such taxes, assessments, charges or fees, whether such charges are made directly to Tenant or through or in the name of the Town of Acton. All such charges shall be referred to herein as "Impositions." Tenant shall have the right to contest or object to the amount or validity of any Imposition but shall not withhold payment of any Imposition while any such contest or objection is pending. Tenant, upon request of the Town of Acton, shall furnish to the Town of Acton within thirty (30) days of the date when any Imposition would become delinquent, official receipts of the appropriate taxing authority, or other evidence reasonably satisfactory to the Town of Acton, evidencing payment thereof.

5.2 Personal Property Taxes. Tenant shall pay promptly when due all taxes which may be imposed upon personal property (including fixtures taxed as personal property) in, on or within the Premises directly to the assessing party.

5.3 Utilities.

(a) Tenant shall pay, or shall cause to be paid, directly to the utility provider, all charges by any public authority or public utility for water, electricity, telephone, gas, sewer and other services supplied or rendered to the Premises, and service inspections made therefore, whether called charge, rate, tax, betterment, assessment, fee or otherwise and whether such charges are made directly to Tenant or through or in the name of the Town of Acton ("Utility Charges").

(b) The Town of Acton agrees to provide reasonable access licenses or easements over the Premises to utility companies for the purposes of bringing and connecting utility service to the Premises.

5.4 No Liability of the Town of Acton. The Town of Acton shall not be required to furnish to Tenant any facilities or services of any kind whatsoever during the Term, such as, but not limited to, water, steam, heat, gas, hot water, electricity, light and power. The Town of Acton makes no representation or warranty that existing sources of supply, distribution points or utilities are adequate or sufficient to supply the Improvements. *except that the Town of Acton*

ARTICLE 6

REPAIRS AND MAINTENANCE; ALTERATIONS

6.1 Repair and Maintenance. Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall keep the Premises (including all Improvements), all roadways, sidewalks, curbs, landscaped areas, fences and entranceways adjoining the same in good order, condition and repair (except for reasonable wear and tear and damage from a Taking (as defined in Section 11.1 below) or from fire or other casualty after the last repair, replacement, restoration or renewal required to be made by Tenant pursuant to its obligations hereunder), and shall make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen in order to keep the Premises in safe, clean and sanitary condition throughout the Term. Without limiting the generality of the foregoing, Tenant shall keep the residential rental units in the Premises in such order, condition and repair as to meet the housing quality standards set forth in the United States Department of Housing and Urban Development's ("HUD") regulations at 24 C.F.R. §982.401, any higher standards required by Massachusetts law and the requirements of Massachusetts law and HUD (including 24 C.F.R. §982.401(j) and 24 C.F.R. Part 35) with respect to lead-based paint. All repairs will be in quality and class, as elected by Tenant, either equal to the original work or installations, or otherwise consistent with the standard then applicable to mixed-income residential apartment projects within the geographical area of the Premises at such time. Without limitation, Tenant shall keep the common driveway and sidewalks shown on **Exhibit B** in good order and condition and shall be responsible for removing ice and snow therefrom. Tenant shall keep the Premises free of accumulations of dirt and rubbish, and shall use all reasonable precautions to prevent waste, damage or injury to the Premises.

6.2 No Obligation of the Town of Acton. Except as otherwise expressly provided herein, the Town of Acton shall in no event be required to maintain or repair or to make any alterations, restoration, replacements, changes, additions or improvements to the Premises during the Term of this Lease.

6.3 Alterations. Tenant may from time to time during the term of this Lease make, at its sole cost and expense, alterations or additions to the Improvements, subject, however, in all cases to the following, which Tenant covenants to observe and perform:

- (a) no alteration or addition shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of any federal, state or municipal government or departments or subdivisions of any of them having jurisdiction. The Town of Acton shall join in the application for such permits or authorizations whenever such action is necessary, provided,

1 however, that the Town of Acton shall incur no liability or expense in
2 connection therewith;

3 (b) to ensure that Tenant undertakes and completes any such Improvements in
4 a manner consistent with the public interest in the proper maintenance of
5 the Building and the Property and with applicable health, safety and
6 welfare regulations. (i) any alteration to the roof, the structural weight-
7 bearing walls or columns or to any weight-bearing floor slab of the
8 Building, or any addition to the Building, (ii) any material alteration to the
9 base-building plumbing, electrical, mechanical or HVAC systems serving
10 the Premises, and (iii) any other alteration or addition costing more than
11 [\$100,000.00] in 2005 dollars in the aggregate, (x) shall not be performed
12 without Tenant first having received the Town of Acton's written consent
13 thereto, (y) shall be conducted under the supervision of a licensed architect
14 or licensed professional engineer and (z) shall be conducted in accordance
15 with plans and specifications submitted to and approved by the Town of
16 Acton. The Town of Acton shall not unreasonably withhold its consent to
17 any alterations or additions proposed by Tenant or to any plans and
18 specifications submitted to the Town of Acton in connection therewith.
19 (Repair of damage or destruction occasioned by fire or other casualty shall
20 be in accordance with Article 10 of this Agreement.) The Town of
21 Acton's failure to respond to Tenant's request for consent to alterations or
22 additions or for approval of plans and specifications for any alterations or
23 additions consented to by the Town of Acton, or as to which the Town of
24 Acton's consent is simultaneously being requested, within forty-five (45)
25 days of the Town of Acton's receipt of such request(s) shall constitute the
26 Town of Acton's approval of same, provided Tenant's request for such
27 consent or approval states in bold capital letters that the Town of Acton's
28 failure to respond within forty-five (45) days shall constitute its consent or
29 approval, as the case may be. Tenant hereby agrees to reimburse the
30 Town of Acton, upon demand therefore, as Additional Rent, for all costs
31 incurred by the Town of Acton in reviewing the plans and specifications
32 for, and consulting with respect to the carrying out of construction of any
33 such alterations or additions. (Any reference in this Lease to 2005 dollars
34 shall mean 2005 dollars as reflected in the Consumer Price Index for "All
35 Cities" closest in date before December 31, 2005, published by the federal
36 government, and reference shall be made to the Consumer Price Index for
37 All Cities then in effect when adjustments to 2005 figures are made.);

38 (c) Any alteration or addition shall, when completed, be of such a character as
39 not to reduce the structural integrity, value or usefulness of the Premises
40 for the Permitted Use below its value and usefulness immediately before
41 such change or alteration;

42 (d) Any change, construction, alteration or addition shall be made promptly in
43 a good and workmanlike manner and in accordance with all Required
44 Permits, Required Approvals and Legal Requirements, any national or

Provided, however that Tenant shall not be responsible for any such costs
normally incurred by the Town of Acton in conjunction with the
review and inspection of such alterations or additions for which building permit
fees or other applicable fees have been paid.

adverse or that counsel provided by Tenant may have a conflict in interest or is not providing effective representation of the Town of Acton, then the reasonable expenses of such separate counsel shall be at Tenant's expense.

(c) The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Town of Acton which would exist at common law or under any other provision of this Lease, and the extent of the obligation of indemnification shall not be limited by any provision of insurance undertaken in accordance with this Article 7. This Lease is made on the express condition that the Town of Acton shall not be liable for, or suffer loss by reason of, any damage or injury to any property, fixtures, buildings or other improvements, or to any person or persons, at any time on the Premises, specifically including any damage or injury to the person or property of Tenant or any of the Tenant Parties, from whatever cause, in any way connected with the condition, use, occupational safety or occupancy of the Premises, unless caused by the gross negligence or willful misconduct of the Town of Acton.

(d) The provisions of this Section 7.13 shall survive termination or expiration of this Lease.

ARTICLE 8

USE OF PREMISES

8.1 Permitted Uses. The Premises and Improvements shall be used exclusively for purposes of () residential units of mixed-income rental and affordable housing and uses which are ancillary thereto to be operated over the Term in conformity with the Affordability Commitments set forth in Article IX below (collectively, the "Permitted Uses").

8.2 Abandonment of Use. Subject to Force Majeure, except during the construction of the Initial Improvements, and thereafter during reasonable periods of repair, remodeling and/or restoration, Tenant covenants and agrees to continuously and uninterruptedly use the Premises for the Permitted Uses. If the Premises shall be abandoned, deserted, or vacated by the Tenant (such decision to abandon, desert or vacate or discontinue construction or operation of the facilities located on the Premises shall be referred to as a decision to "Discontinue Operations"), or if less than ~~Sixty~~ percent (60 %) of the residential rental units located on the Premises are leased and occupied in accordance with Section 8.1 for a period of one hundred eighty (180) consecutive days or for more than one hundred eighty (180) days in any calendar year for any reason, the Town of Acton shall have the right to terminate the Lease and recover exclusive possession of the Premises by written notice to Tenant. In the event the Town of Acton exercises its right to terminate the Lease under this Section 8.2, the Lease shall terminate as of the date that is sixty (60) days after the date of the Town of Acton's notice to Tenant thereof, and Tenant's liability with respect to the Lease shall terminate as of such date, unless within such sixty (60) day period, more than ~~Sixty~~ percent (60 %) of the residential rental units located on the Premises are leased and occupied in accordance with Section 8.1 (in which event such termination notice shall have no effect). (Damage or destruction occasioned by fire or other casualty shall be addressed in accordance with Article 10 of this Agreement.)

Applicable
Federal, state or private
funding entities

1 8.3 Legal Requirements. Throughout the Term of this Lease, Tenant, at its expense,
2 shall promptly comply with and shall cause all Tenant Parties to promptly comply with, all
3 present and future laws, ordinances, orders, rules, regulations and requirements of all federal,
4 state and municipal governments, departments, housing authorities, boards and officers, foreseen
5 or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises and
6 the sidewalks and curbs adjoining the same, or to the use or manner of use of the same or to any
7 of the Tenant Parties, whether or not such law, ordinance, rule, regulation or requirement is
8 specifically applicable or related to the conduct of the Permitted Uses, or shall affect the interior
9 or exterior of the Improvements or any Tenant Work, or shall necessitate structural changes or
10 improvements, or shall interfere with the use and enjoyment of the Premises (collectively,
11 "Legal Requirements"). Tenant shall, in the event of any violation or any attempted violation
12 of this Section by any Tenant Party, take steps, immediately upon knowledge of such violation,
13 as Tenant determines to be reasonably necessary to remedy or prevent the same as the case may
14 be.

15 8.4 Contests. Tenant shall have the right to contest by appropriate legal proceedings
16 diligently conducted in good faith, in the name of Tenant, without cost or expense to the Town of
17 Acton, the validity or application of any Legal Requirement, subject to Tenant providing the
18 Town of Acton with written notice thereof on or before the date of contesting same, and further
19 subject to the following:

20 (a) If, by the terms of any such Legal Requirement, compliance therewith pending the
21 prosecution of any such proceeding may legally be delayed without the incurrence of any lien,
22 charge or liability of any kind against the Premises or any part thereof and without subjecting
23 Tenant or the Town of Acton to any liability, civil or criminal, for failure so to comply therewith,
24 Tenant may delay compliance therewith until the final determination of such proceeding; and

25 (b) If any lien, charge or civil liability would be incurred by reason of any such delay,
26 Tenant nevertheless may contest as aforesaid and delay as aforesaid, provided that such delay
27 would not subject the Town of Acton to criminal liability or fine, and provided that Tenant (i)
28 bonds over such lien or furnishes to the Town of Acton security, reasonably satisfactory to the
29 Town of Acton, against any loss or injury by reason of such contest or delay, and (ii) prosecutes
30 the contest with due diligence; and

31 (c) The Town of Acton shall not be required to join in or become a party, nominal or
32 otherwise, to any proceeding in which it will oppose the Commonwealth of Massachusetts or any
33 agency, authority, branch, division, office or subdivision of the Commonwealth of
34 Massachusetts, nor shall the Town of Acton be required in connection with any such proceeding
35 or otherwise to oppose in any way any policy previously established by the Town of Acton nor
36 to take a position inconsistent with a position previously taken and made public by the Town of
37 Acton.

38 8.5 Compliance with Insurance Requirements. Throughout the Term of this Lease,
39 Tenant, at its expense, shall observe and comply with the requirements of all policies of public
40 liability, casualty and all other policies of insurance required to be supplied by Tenant at any
41 time in force with respect to the Premises, and Tenant shall, without limiting any other
42 requirements of this Lease, in the event of any violation or any attempted violation of the

8.6 Property Management. Tenant will either manage the Premises personally or hire a reputable and experienced property management company to manage the Premises in accordance with legally applicable guidelines (if any) in effect from time to time with respect to the management of affordable rental housing in the Town of Acton. If Tenant will not personally manage the Premises, prior to the Final Completion Date, Tenant shall submit to the Town of Acton (a) the name of Tenant's proposed property management company, (b) evidence that such company has (i) a good business and character reputation in the community, and (ii) proven property management experience with affordable housing developments, and (c) the identity, background and experience of the senior operational officer, and all agents and employees who will be engaged in the management of the Premises.

RESIDENT SELECTION; AFFORDABILITY COMMITMENTS

(d) Utilize a fair and impartial selection procedure for potential Residents based on the Resident Selection Criteria, which shall be made available to such potential Residents upon request. The Tenant shall not discriminate against potential Residents on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Rental Unit or in connection with the employment or application for employment of persons for the operation and management of the Premises. In addition, the Tenant shall not discriminate against, or refuse to lease, rent or otherwise make available a rental unit to a holder of a certificate of family participation under the Federal Rental Certificate Program (24 CFR Part 882) or a rental voucher

FAX COVER SHEET

Jones Associates, Inc.
Real Estate Consulting and Government Relations
21 George Street, Lowell, Massachusetts 01852
978 452 3956
Fax: 978 452 3967
s.joncas@att.net

Send to: Dean Charter	From: Steven Joncas
Attention:	Date: April 21, 2006
Office location:	Office location:
Fax number: 978 264 9630	Phone number:

☐ Urgent ☐ Reply ASAP ☐ Please comment ☐ Please review ☐ For your information

Total pages, including cover: Seven

Comments:

Dean
As discussed, I am faxing the additional pages with comments on the lease that I inadvertently failed to include in our submission.
Please call if you have any questions. Look forward to our meeting on the 27th
Regards
Steve Joncas
Common Ground Development Corporation

1 under the Federal Rental Voucher Program (24 CFR Part 887) or to a holder of a comparable
2 document evidencing participation in HUD's Home Investment Partnership (the "HOME
3 Program") tenant-based assistance program because of the status of the prospective Resident as
4 a holder of such certificate of family participation, rental voucher or comparable HOME
5 Program tenant-based assistance document.

6 9.2 Definitions. For purposes of this Article 9, "the Section 8 Program" means
7 Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development
8 Act of 1974 (and the federal regulations thereunder at 24 C.F.R. Part 800 et seq.); "the Section 8
9 Regulations" means regulations promulgated by HUD under Section 8 of the Housing Act of
10 1937; "Household" means one or more individuals occupying a Rental Unit and satisfying the
11 standards adopted by HUD or any successor federal agency under the Section 8 Regulations;
12 "BMSA" means the Boston Metropolitan Statistical Area established from time to time by the
13 U.S. Bureau of the Census; "Fair Market" means the value of any Rental Unit in an arms-length
14 transaction with a disinterested tenant; "Adjusted Income" shall be as defined in the federal
15 regulations at 24 C.F.R. §813.102 using assumptions provided by HUD; "Aggregate Annual
16 Household Income" means the anticipated total income from all sources received by all current
17 members of the Household aged eighteen (18) years or older, including all net income derived
18 from assets for the twelve (12) month period following the effective date of certification of
19 income, and including and excluding those certain types of income as set forth in, and as
20 determined in accordance with federal regulations at 24 C.F.R. Part 813; "Median Income"
21 means the median Household income for the BMSA set forth in or calculated pursuant to the
22 Section 8 Regulations. If HUD discontinues publication of Median Income statistics, then the
23 Town of Acton shall designate another method of determining Median Income.

24 9.3 Affordability Commitments.³ From and after the Final Completion Date until the
25 expiration or earlier termination of the Term of this Lease, Tenant covenants to operate
26 multifamily housing on the Premises in accordance with the affordability commitments (the
27 "Affordability Commitments"), set forth below; provided, however, that if these Affordability
28 Commitments conflict with applicable requirements of the Internal Revenue Code or Rules or
29 Regulation promulgated pursuant thereto, the Town of Acton and the Tenant agree to work in
30 good faith to ensure that the Affordability Commitments are fulfilled to the maximum extent
31 possible consistent therewith:

✓ NOT CONSISTENT WITH RFP ?

32 (a) No less than 25% of the residential rental units will be leased to
33 Households with Aggregate Annual Income less than or equal to sixty percent (60%) of Median
34 Income (a Very Low Income Household). The monthly rent charged to any Very Low Income
35 Household occupying a Rental Unit shall not exceed the lesser of:

36 (i) The Fair Market rent for existing housing for a unit comparable to
37 the rental unit in the BMSA, as established by HUD under regulations promulgated at 24 C.F.R.

³ Drafting Note: The Affordability Commitments set forth in Section 9.3 are subject to adjustment based on a mutually agreed Affordability Commitment resulting from the Town of Acton's RFP, the successful respondent's Response to the RFP, and negotiations relating thereto.

1 §888.11, less the monthly allowance for those utilities and services (excluding telephone), if any,
2 to be paid directly by the Household occupying a unit;

3 (ii) An amount equal to thirty percent (30%) of the monthly Adjusted
4 Income of a Household whose gross income equals sixty percent (60%) (or such higher or lower
5 percentage as may be established by HUD pursuant to applicable regulations under the HOME
6 Program) of Median Income, adjusted for number of bedrooms in the rental unit. In determining
7 the maximum monthly rent that may be charged for the rental unit under this clause (ii), the
8 Tenant shall subtract from the above amount an allowance for any utilities and services
9 (excluding telephone), if any, to be paid directly by the Household occupying the rental unit; or

10 (iii) If the Resident or rental unit benefits from the Section 8 Program,
11 an amount equal to the maximum rent chargeable to an eligible tenant under the Section 8
12 Program.

13 (b) No less than 50% of the residential rental units will be leased to
14 Households with Aggregate Annual Household Income less than or equal to eighty percent
15 (80%) of Median Income (a "Low Income Household"). The monthly rent charged to the Low
16 Income Household occupying the rental unit in the Premises shall not exceed the lesser of:

17 (i) The Fair Market rent for existing housing for a unit comparable to
18 the Rental Unit in the BMSA, as established by HUD under regulations promulgated at 24
19 C.F.R. §888.11, less the monthly allowance for those utilities and services (excluding telephone),
20 if any, to be paid directly by the Household occupying a rental unit;

21 (ii) An amount equal to thirty percent (30%) of the monthly Adjusted
22 Income of a Household whose gross income equals eighty percent (80%) (or such higher or
23 lower percentage as may be established by HUD pursuant to applicable regulations under the
24 HOME Program) of Median Income, adjusted for number of bedrooms in the rental unit. In
25 determining the maximum monthly rent that may be charged for the rental unit under this clause
26 (ii), the Tenant shall subtract from the above amount an allowance for any utilities and services
27 (excluding telephone), if any, to be paid directly by the Household occupying the rental unit; or

28 (iii) If the Resident or the rental unit benefits from the Section 8 Program, an amount
29 equal to the maximum rent chargeable to an eligible tenant under the Section 8 Program. If, after
30 initial occupancy, the income of a Resident of an affordable housing unit increases, and, as a
31 result of such increase, exceeds the maximum income permitted hereunder for such a Resident,
32 Tenant shall not be in default hereunder so long as either (a) the Resident income does not
33 exceed one hundred forty percent (140%) of the maximum income permitted or (b) Tenant rents
34 the next available unit at the Premises as an affordable housing unit in conformance with the
35 Affordability Commitments, or otherwise demonstrates compliance with the Affordability
36 Commitments.

37 As a condition to occupancy of an affordable unit, each potential Resident shall be
38 required to sign and deliver to Tenant an income certification using a form adopted for such use
39 by Tenant and reasonably approved by the Town of Acton.

1 biological and radioactive wastes, or any other similar materials which are included under or
2 regulated by any Environmental Law.

3 12.5 Notices.

4 (a) Tenant shall provide the Town of Acton with copies of any notices of
5 releases of Hazardous Materials which are given by or on behalf of Tenant to any federal, state
6 or local agencies or authorities with respect to the Premises. Such copies shall be sent to the
7 Town of Acton concurrently with mailing or delivery to the governmental agencies or
8 authorities. Tenant also shall provide the Town of Acton with copies of any notices of
9 responsibility or any other notices received by or on behalf of Tenant from any such agencies or
10 authorities concerning any non-compliance with Environmental Laws on or about the Premises,
11 including but not limited to notices regarding Hazardous Materials or substances located on or
12 about the Premises. In addition, in connection with any litigation or threat of litigation affecting
13 the Premises, Tenant shall deliver to the Town of Acton any documentation or records as the
14 Town of Acton may reasonably request and which are in Tenant's possession and may be
15 lawfully delivered to the Town of Acton, and the Town of Acton shall deliver to Tenant any
16 documentation or records as Tenant may reasonably request and which are in the Town of
17 Acton's possession and may be lawfully delivered to Tenant.

18 (b) Tenant or the Town of Acton shall immediately notify the other party in
19 writing should Tenant or the Town of Acton become aware of (iii) any release or threatened
20 release of Hazardous Materials or the occurrence of any other environmental problem or liability
21 with respect to the Premises or any real property adjoining or in the vicinity of the Premises or
22 such other property which could subject the Town of Acton, Tenant or the Premises to a Claim
23 under any Environmental Laws or to any restriction in ownership, occupancy, transferability or
24 use of the Premises under any Environmental Laws; (iv) any lien filed, action taken or notice
25 given of the nature described in Sections 12.2(b) or 12.3(b) above; (v) any notice given to Tenant
26 from any occupant of the Premises or any notice from any governmental authority with respect
27 to any release or threatened release of Hazardous Materials; or (vi) the commencement of any
28 litigation or any information relating to any threat of litigation relating to any alleged
29 unauthorized release of any Hazardous Materials or other environmental contamination, liability
30 or problem with respect to or arising out of or in connection with the Premises.

31 12.6 Environmental Indemnity. Tenant hereby presently, unconditionally, irrevocably
32 and absolutely agrees to pay, indemnify, defend with counsel acceptable to the Town of Acton
33 and save harmless the Town of Acton Parties for, from and against any and all Claims
34 (including, without limitation attorneys' and experts' fees and expenses, clean-up costs, waste
35 disposal costs and those costs, expenses, penalties and fines within the meaning of CERCLA), of
36 any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted
37 or awarded against any of the Town of Acton Parties and arising from any violation or alleged
38 violation of Environmental Laws, environmental problem or other environmental matter
39 described herein, relating to the Premises, or as a consequence of any of Tenant's or the Town of
40 Acton's interest in or operation of the Premises, including, without limitation, matters arising out
41 of any breach of Tenant's covenants, representations and warranties. Tenant does further agree
42 and covenant that except as otherwise set forth in this Lease, none of the Town of Acton Parties
43 shall assume any liability or obligation for loss, damage, fines, penalties, claims or duty to clean

occurring during the lease term

1 disturbance or other damage to Tenant or any operator or occupant thereof by reason of making
2 such repairs or the performance of any such work, or on account of bringing materials, tools,
3 supplies and equipment onto this Premises during the course thereof, and the obligations of
4 Tenant under this Lease shall not be affected thereby. The Town of Acton shall use
5 commercially reasonable efforts to minimize interference with or disruption of Tenant or
6 Tenant's business, occupants, operators and or lessees.

7 (c) All reasonable sums so paid by the Town of Acton and all reasonable
8 costs and expenses incurred by the Town of Acton, including reasonable attorneys' fees and
9 expenses, in connection with the performance of any such act, together with interest at the
10 Default Rate from the date of such payment or incurrence by the Town of Acton of such cost and
11 expense until the date paid in full, shall be paid by Tenant to the Town of Acton, as Additional
12 Rent, on demand. If the Town of Acton shall exercise its rights under this Section 14.3 to cure a
13 default of Tenant, Tenant shall not be relieved from the obligation to make such payment or
14 perform such act in the future, and the Town of Acton shall be entitled to exercise any remedy
15 contained in this Lease if Tenant shall fail to pay such obligation to the Town of Acton upon
16 demand. All costs incurred by the Town of Acton hereunder shall be presumed to be reasonable
17 in the absence of a showing of bad faith, clear error, or fraud.

18 14.4 No Waiver. No failure by either the Town of Acton or Tenant to insist upon the
19 strict performance of any agreement, term, covenant or condition hereof or to exercise any right
20 or remedy consequent upon a breach thereof, and no acceptance of full or partial Rent during the
21 continuance of any such breach, shall constitute a waiver of any such breach or of such
22 agreement, term, covenant or condition. No agreement, term, covenant or condition hereof to be
23 performed or complied with by either the Town of Acton or Tenant, and no breach thereof, shall
24 be waived, altered or modified except by a written instrument executed by the other party. No
25 waiver by the Town of Acton or Tenant of any breach shall affect or alter this Lease, but each
26 and every agreement, term, covenant and condition hereof shall continue in full force and effect
27 with respect to any other then existing or subsequent breach thereof.


28 14.5 Injunctive Relief. In the event of any breach or threatened breach by Tenant of
29 any of the agreements, terms, covenants or conditions contained in this Lease, the Town of
30 Acton shall be entitled to enjoin such breach or threatened breach and shall have the right to
31 invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-
32 entry, summary proceedings, and other remedies were not provided for in this Lease.

33 14.6 Remedies Cumulative. Each right and remedy provided for in this Lease shall be
34 cumulative and shall be in addition to every other right or remedy provided for in this Lease or
35 now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or
36 beginning of the exercise by the Town of Acton or Tenant of any one or more of the rights or
37 remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute
38 or otherwise shall not preclude the simultaneous or later exercise by the party in question of any
39 or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in
40 equity or by statute or otherwise.

Tenant or the Town of Acton

1 18.7 Bind and Inure. The covenants and agreements herein contained shall bind and
2 inure to the benefit of the Town of Acton, its successors and assigns, and Tenant, its successors
3 and assigns.

4 18.8 Notice of Lease. The Town of Acton and Tenant mutually agree to execute
5 herewith, in triplicate, a Notice of Lease in recordable form with respect to this Lease, which
6 shall be recorded forthwith with the Middlesex County South District Registry of Deeds, and
7 agree to execute, upon termination of this Lease for whatever cause, a Notice of Termination of
8 Lease in recordable form for recording with said Registry of Deeds.

9 18.9 Enforcement of the Town of Acton's Liability. Anything contained in this Lease
10 to the contrary notwithstanding, but without limitation of Tenant's equitable rights and remedies,
11 the Town of Acton's liability under this Lease shall be enforceable only out of the Town of
12 Acton's interest in the Premises; and there shall be no other recourse against, or right to seek a
13 deficiency judgment against, the Town of Acton, nor shall there be any personal liability on the
14 part of the Town of Acton or any member of its board of directors, or any officer or employee of
15 the Town of Acton, with respect to any obligations to be performed hereunder. Without
16 limitation of the foregoing, the Town of Acton shall not be liable for any loss, damage or injury
17 of whatever kind caused by, resulting from, or in connection with (i) the supply or interruption of
18 water, gas, electric current, oil or any other utilities to the Premises, (ii) water, rain or snow
19 which may leak or flow from any street, utility line or subsurface area or from any part of the
20 Premises, or (iii) other leakage from pipes, appliances, sewer or plumbing works therein or from
21 any other place. In no event shall the Town of Acton be liable to Tenant for any indirect, special
22 or consequential or punitive damages ~~or loss of profits or business income~~ arising out of or in
23 connection with this Lease. 

24 18.10 No Merger. There shall be no merger of this Lease or of the leasehold estate
25 hereby created with the fee estate in the Premises by reason of the fact that the Town of Acton
26 may acquire or hold, directly or indirectly, the leasehold estate hereby created or an interest
27 herein or in such leasehold estate, unless the Town of Acton executes and records an instrument
28 affirmatively electing otherwise.

29 18.11 Captions, Exhibits, Gender, Etc. The captions of this Lease are for convenience
30 and reference only and in no way define, limit or describe the scope or intent of this Lease nor in
31 any way affect this Lease. The exhibits to this Lease are incorporated into this Lease and are a
32 part hereof. Unless the context clearly requires otherwise, the singular includes the plural, and
33 vice versa, and the masculine, feminine, and neuter adjectives include one another.

34 18.12 Table of Contents. The Table of Contents proceeding this Lease but under the
35 same cover is for the purpose of convenience and reference only and is not to be deemed or
36 construed in any way as part of this Lease, nor as supplemental thereto or amendatory thereof.

37 18.13 Massachusetts Law Governs. This Lease shall be governed exclusively by, and
38 construed in accordance with, the laws of the Commonwealth of Massachusetts.

39 18.14 Time of the Essence. Time shall be of the essence hereof.

40 18.15 Excavation and Shoring. If any excavation shall be made or contemplated to be

1 made by Tenant for building or other purposes upon property or streets adjacent to or nearby the
2 Premises, Tenant shall do or cause to be done all such work as may be necessary to preserve any
3 of the walls or structures of the Improvements from injury or damage and to support the same by
4 proper foundations. All such work done by Tenant shall be at Tenant's sole cost and expense.

5 18.16. No Partnership or Joint Venture. Nothing contained under this Lease shall be
6 construed to create a partnership or joint venture between the Town of Acton and Tenant or to
7 make the Town of Acton an associate in any way of Tenant in the conduct of Tenant's business,
8 nor shall the Town of Acton be liable for any debts incurred by Tenant in the conduct of
9 Tenant's business, and it is understood by the parties hereto that this relationship is and at all
10 times shall remain that of landlord and tenant.

11 18.17 Tenant Request for Consent. Tenant shall reimburse the Town of Acton for its
12 reasonable attorneys' fees and out-of-pocket expenses incurred in connection with any request by
13 Tenant for the Town of Acton's consent hereunder. *provided however that the Town of Acton*
shall provide Tenant with an estimate of said fees and/or expenses for Tenant's

14 18.18 Prevailing Party. In any litigation between the parties arising out of this Lease, or
15 in connection with any other actions taken or notices delivered in relation to a default by any
16 party to this Lease, the non-prevailing party shall pay to the prevailing party the prevailing
17 party's reasonable attorneys' fees and costs incurred in connection with the enforcement of the
18 terms of this Lease.

19 18.19 Brokers. The Town of Acton and Tenant each warrants and represents to the other
20 that it has had no dealings or negotiations with any broker or agent in connection with this Lease.
21 Each agrees to pay, and shall hold the other harmless and indemnified from and against any and all
22 costs, expenses (including without limitation counsel fees), or liability for any compensation,
23 commissions and charges claimed by any broker or agent resulting from any such dealings by the
24 indemnifying party with respect to this Lease or the negotiation therefore.

25 18.20 Covenants Running with the Land. Tenant intends, declares, and covenants, on
26 behalf of itself and all future holders of Tenant's interest hereunder, that this Lease and the
27 covenants and restrictions set forth in this Lease regulating and restricting the use, occupancy, and
28 transfer of the Premises (a) shall be and are covenants running with the Premises, encumbering the
29 Premises for the term of this Lease, binding upon Tenant and Tenant's successors-in-interest; (b) are
30 not merely personal covenants of Tenant; and (c) the benefits shall inure to the Town of Acton.

31 18.21 Entire Agreement. This Lease, including all attached exhibits, contains the entire
32 agreement between the Town of Acton and Tenant with respect to its subject matter. Except for
33 those which are specifically set forth in this Lease, no representations, warranties or agreements
34 have been made by the Town of Acton or Tenant to one another with respect to this Lease.

35 18.22 No Waiver. No waiver of any condition or agreement in this Lease by either the
36 Town of Acton or Tenant will imply or constitute a further waiver by such party of the same or
37 any other condition or agreement. No act or thing done by the Town of Acton or the Town of
38 Acton's agents during the Term will be deemed an acceptance of a surrender of the Premises,
39 and no agreement to accept such surrender will be valid unless in writing signed by the Town of
40 Acton. No payment by Tenant, nor receipt from the Town of Acton, of a lesser amount than the

*Town of Acton
review and approval prior to incurring such costs.*

Section 1

PROJECT DESCRIPTION

Name and Address of Project

1 . Project Name:	Towne School Building Reuse		
1a . Application Completed By:	Steven Joncas		
1b . Original Application Date:	2/11/06	Application Revision Date:	3/30/2006
2 . Project Address:	Massachusetts Avenue and Charter Road		
3 . Neighborhood	South Acton		
4 . City/ Town	Acton	MA	01720
		<small>(state)</small>	<small>(zip code)</small>
5 . County	Middlesex		
6 . <input type="checkbox"/> Scattered sites			
7 . Is this a qualified census tract?	No	Enter a census tract	<input type="text"/>
8 . Difficult to develop area	<input type="text"/>	QCT information last updated on:	3/22/2006

Development Plan

9 . Development Type (Please check all that apply.)

No	New construction
No	Acquisition, substantial rehab of existing housing
No	Acquisition, moderate rehab of existing housing
No	Acquisition, minimal or no rehab of existing housing
Yes	Adaptive re-use of non-residential structure

10 . Proposed Housing Type Rental (except SRO or Assisted Living, see below)

11 . Project Description: Number of buildings: 1

Town of Acton declared this 2-story former school surplus. The town issued an RFP seeking developers to enter a 50 year lease to convert the vacant building to affordable rental housing with a minimum of 15 units. The construction is brick and concrete and is in good structural condition. It is located on Rte 111, Massachusetts Avenue, near the junction of Rtes 27 and 2. The proposed development program is a total of 17 units that includes studios, one, two and three bedroom units. The proposal is to develop 40% of the

12 . Development Schedule:

	Original	Revised	Optional user comments
Application Date	2/11/06		Assumes June designation by the town and 9 months for design, permitting and construction pricing. Period would be adjusted based upon actual permitting schedule. Construction is estimated at 8 months with added time for punch list
Construction Loan Closing	3/15/07		
Initial Loan Closing (MHFA only)			
Construction Start	4/15/07		
50% Construction Completion	9/15/07		
Construction Completion	2/15/08		
First Certificate of Occupancy	3/1/08		
Final Certificate of Occupancy	3/31/08		
Sustained Occupancy	9/1/08		
Permanent Loan Closing	9/15/08		

Towne School Building Reuse

Application Date: 2/11/06

Revised Date: 3/30/2006

13. Unit Mix:

	Low-Income Rental Assisted	Low-Income below 50%	Low-Income below 60%	Other Income (User-defined)	Market Rate	Total Units
SRO						0
0 bedroom			1		1	2
1 bedroom			2		3	5
2 bedrooms			3		5	8
3 bedrooms			1		1	2
4 bedrooms						0
Total Units	0	0	7	0	10	17
Home Units*			6			6

*HOME units included in the above totals. Other Income=Below of median income

14. Unit Size in square feet:

	Low-Income Rental Assisted	Low-Income below 50%	Low-Income below 60%	Other Income (User-defined)	Market Rate	Average All Incomes
SRO						N/A
0 bedroom			432.0		432.0	432
1 bedroom			798.5		762.3	777
2 bedrooms			962.3		921.8	937
3 bedrooms			1463.0		1463.0	1,463
4 bedrooms						N/A

15. Number of bathrooms in each unit:

	Low-Income Rental Assisted	Low-Income below 50%	Low-Income below 60%	Other Income (User-defined)	Market Rate	Average All Incomes
SRO						N/A
0 bedroom			1.0		1.0	1.0
1 bedroom			1.0		1.0	1.0
2 bedrooms			1.0		1.0	1.0
3 bedrooms			2.0		2.0	2.0
4 bedrooms						N/A

16. Funding Applied For:

Please check all the funding that is being applied for at this time, with this application:

DHCD Tax Credit Allocation	<input type="text" value="No"/>
Category	<input type="text" value="Not Applicable"/>
Category	<input type="text" value="Not Applicable"/>
HOME Funding through DHCD	<input type="text" value="Yes"/>
Massachusetts Housing Finance Agency (select all that apply):	
Official Action Status	<input type="text" value="No"/>
Construction Financing/Bridge Financing.....	<input type="text" value="No"/>
Permanent Financing	<input type="text" value="No"/>
Massachusetts Housing Partnership (MHP) Fund:	
Permanent Rental Financing Program	<input type="text" value="No"/>
Massachusetts Housing Investment Corporation (select all that apply):	
Debt Financing	<input type="text" value="No"/>
Tax Credit Equity Investment	<input type="text" value="Yes"/>
Boston Department of Neighborhood Development (DND):	<input type="text" value="No"/>
Other	<input type="text" value="Yes"/>
Other.....	<input type="text" value="MHP MATCH Program"/>
Other.....	<input type="text" value="DHCD PBA Section 8 HC Uni"/>
Other.....	<input type="text" value="Historic Preservation Tax Credi"/>
Financing from MassDevelopment	<input type="text" value="Yes"/>

		New	
		Construction	Rehabilitation
17 . Number of buildings planned	Total		
a. Single-Family	0		
b. 2-4 Family	0		
c. Townhouse	0		
d. Low/Mid rise	0		
e. High-rise	0		
f. Other	1		1
TOTAL	1	0	1
18 . Number of units:	17		17
19 . Gross Square Footage			
a. Residential	21,056		21,056
b. Commercial	-		-
20 . Net Rentable Square Footage:	Total	Percent of Gross	
a. Residential	15,170 s.f.	72%	
b. Commercial	s.f.	N/A	
21 . Number of handicapped accessible units	1	Percent of total	6%
22 . Fire Code Type	Masonry bearing wall		
23 . Will building(s) include elevators?	Yes	How many?	1
24 . Are the following provided with the housing units:		Gas or electric?	Gas
a. Range?	Yes	<i>Optional user comments</i> Common laundry provided on first floor. Storage area located on first floor	
b. Refrigerator?	Yes		
c. Microwave?	Yes		
d. Dishwasher?	Yes		
e. Disposal?	Yes		
f. Washer/Dryer Hookup?	No		
g. Washer & Dryer?	No		
h. Wall-to-wall Carpet?	Yes		
i. Window Air Conditioner?	No		
j. Central Air Conditioning?	Yes		
25 . Are the following included in the rent:			
a. Heat?	No		
b. Domestic Electricity?	No		
c. Cooking Fuel?	No		
d. Hot Water?	No		
e. Central A/C, if any?	No		
26 . Type of heating fuel:	Gas		
27 . Total no. of parking spaces:	36	Outdoor:	36
		Enclosed:	0
28 . Number of parking spaces exclusively for the use of tenants:			
a. Residential	Total: 36	Outdoor: 36	Enclosed: 0
b. Commercial	Total: 0	Outdoor:	Enclosed:

29 . Will rehabilitation require the relocation of existing tenants?

30 . Scope of rehabilitation: Please describe the following (or type N/A).

a. Major systems to be replaced:

Substantial rehab - new electrical, HVAC, plumbing throughout including new kitchens and baths.

b. Substandard conditions and structural deficiencies to be repaired:

Review roof condition, replace if necessary, repair and repoint exterior walls including brick as needed.

c. Special features/adaptations for special needs clients to be housed:

aProvide elevator and HC 2 BR unit. Address all ADA issues

31 . Are energy conservation materials in excess of the Building Code?

a. Insulation	No
b. Windows	No
c. Heating system	No

Information On Site And Existing Buildings

	Square Feet	Acres
32 . Size of Site:	53,773	1.23
33 . Wetlands area:	0	
34 . Buildable area:	53,773	1.23

Existing Conditions:

35 . What is the present use of the property?

Vacant former school building

36 . Number of existing structures:

1

37 . Gross s.f. of existing structures:

21,056

38 . If rehabilitation:

number of units num. of bedrooms

a. Number of existing residential units/bedrooms:

0

0

b. Number of units/bedrooms currently occupied:

0

0

39 . If site includes commercial space:

a. Square footage of existing commercial space:

square feet

b. Square footage currently occupied:

square feet

40 . What are the surrounding land uses?

Surrounding land uses include a school, several commercial uses including offices, retail and service businesses. These include a supermarket, drug store and several restaurants.

Utilities:

41 . Are the following utilities available on the site:

a. Sanitary sewer?	Yes
b. Storm sewer?	Yes
c. Public water?	Yes
d. Electricity?	Yes
e. Gas?	Yes

100

on site

on site

on site

on site

If any of the above are not available, is plan attached explaining how such service will be extended to the site?

Zoning:

Please include information on the property zoning in Exhibit 3. This should include a zoning map, highlighting any special use or dimensional restrictions on the property. If the present zoning does not allow for the proposed use, please explain current status and how approvals will be obtained.

- 42 . Does the present zoning allow the proposed development? ☐ Yes ☒ No
- 43 . Have you applied for a zoning variance, change, special permit or subdivision? ☐ Yes ☒ No
- 44 . Do you anticipate applying for a comprehensive permit under Chapter 77? ☒ Yes ☐ No

Site Control:

- 45 . What form of site control do you have? Designated Developer (by public agency)

Include copies of the appropriate site control documents as part of Exhibit 4.

- 46 . Please provide details about your site control agreement.

- | | | | |
|--|--|--|--|
| a. Name of Seller: | | | |
| b. Principals of seller corporation: | | | |
| c. Type of Agreement: | | | |
| d. Agreement Date: | | | |
| e. Expiration Date: | | | |
| f. Purchase price if under agreement: | | | |
| g. Is there any identity of interest between buyer and seller? | | No | |

- 47 . In the past three years, have there been any defaults on any mortgage on the property or any other forms of financial distress? No

- 48 . Are there any outstanding liens on the property? No

Amenities and Services:

- 49 . Please indicate distance from site and locate on city/town map (Exhibit 1).

	Distance	
a. Shopping facilities	0.25	miles
b. Schools	0.10	miles
c. Hospitals	3.00	miles
d. Parks and recreational facilities	0.10	miles
e. Police station	0.50	miles
f. Fire station	0.50	miles
g. Public transportation	1.00	miles
h. Houses of worship	0.20	miles
i. City/Town Hall	0.50	miles

Environmental Information

- 50 . Is there any evidence of underground storage tanks or releases of oil or hazardous materials, including hazardous wastes, on the site or within close proximity to the site?
- 51 . Has a Chapter 21E assessment been performed?
Please include a copy as Exhibit 2
- 52 . Does the project consist of either: (a) new construction of more than 100 units; or (b) substantial rehabilitation of more than 200 units, or where more than 10% new floor space is added?
- 53 . Does the building require lead paint abatement?
- 54 . Does the building require asbestos abatement?
- 55 . Do radon tests show radon levels exceeding four picocuries/liter?
- 56 . Is there any evidence that the premises are insulated with urea formaldehyde foam (UFFI)?
- 57 . Is the site located in an historic district, or contain buildings listed or eligible for listing in the State Register of Historic Places?
A letter of approval from the local or Massachusetts Historical Commission is required prior to commitment or closing
- 58 . Are there any above ground storage containers with flammable or explosive petroleum products or chemicals within 1/2 mile of the site?
- 59 . Is the site located in a floodplain or wetlands area?
- 60 . Does the site contain endangered animal or plant species?
- 61 . Is the site subject to noise impact from jet airports within five miles, major highways within 1,000 feet, or rail traffic within 3,000 feet?

Project Summary Information

NOTE: Do not fill out this section. It is automatically filled in by program.

Project Name	Towne School Building Reuse
Developer	Common Ground Development Corporation
Community	Acton

Number of Units 17

SRO	0	Low-Income, Rental Assisted	0
0 bedroom	2	Low-Income, Below 50%	0
1 bedroom	5	Low-Income, Below 60%	7
2 bedrooms	8	Other Income (User-defined)	0
3 bedrooms	2	Market Rate	10
4 bedrooms	0		

This is an application for:

DHCD Tax Credit Allocation	No
HOME Funding through DHCD	Yes
MHFA Official Action Status.....	No
MHFA Construction Financing.....	No
MHFA Permanent Financing	No
MHP Fund Financing	No
MHIC Construction Loan.....	No
MHIC Tax Credit Equity	Yes
Boston: DND.....	No
Other.....	MHP MATCH Program
Other.....	DHCD PBA Section 8 HC Unit
Other.....	Historic Preservation Tax Credits
Financing from Massdevelopment.....	Yes

Sources of Funds:

Developer's Equity	\$111,331
Tax Credit Equity	\$1,100,000
Public Equity	\$0
Subordinate Debt	\$1,300,000
Permanent Debt	\$1,585,000
Total All Sources	\$4,096,331

Uses Exceed Sources by \$0

Uses of Funds:

Acquisition	\$27,500
Construction	\$3,158,706
General Development	\$536,900
Developer Overhead	\$183,850
Developer Fee	\$183,850
Capitalized Reserves.....	\$5,525
Total All Uses	\$4,096,331

Rent Levels:

Low-Income, Rental Assisted	N/A
Low-Income, Below 50%	N/A
Low-Income, Below 60%	\$1,052
Other Income (User-defined).....	N/A
Market Rate	\$1,185
<i>Average, All Units</i>	<i>\$1,130</i>

BR (aver.)

N/A
N/A
1.6
N/A
1.6
1.6

SF (aver.)

N/A
N/A
911
N/A
879
892

Annual Operating Income (year 1):

Gross rental income (residential)	\$230,532
Vacancy (resid.) 5.00%	\$11,527
Other Income (net of vacancies)	\$0
Subtotal	\$219,005
Operating Subsidies	\$0
Draw on Operating Reserves	\$0
Total Annual Income	\$219,005
Net Operating Income	\$127,985
Debt Service	\$109,790
Debt Service Coverage	1.17

Annual Operating Expense (year 1):

Management Fee	\$11,000
Administrative	\$14,045
Maintenance	\$21,950
Res. Service, Security	\$1,200
Utilities	\$13,700
Repl. Reserve	\$5,525
Oper. Reserve	\$0
Taxes, Insurance	\$23,600
Total	\$91,020
Total per Unit	\$5,354

Rent Profile Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

	Units	Contract Rent	Size of Unit	No. of Bathrooms	Gross Rent/ Maximum	Rent per square foot
Low-Income (Rental Assisted):						
SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	0	N/A	N/A	N/A	N/A	N/A
2 bedrooms	0	N/A	N/A	N/A	N/A	N/A
3 bedrooms	0	N/A	N/A	N/A	N/A	N/A
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

Low-Income (below 50%):

SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	0	N/A	N/A	N/A	N/A	N/A
2 bedrooms	0	N/A	N/A	N/A	N/A	N/A
3 bedrooms	0	N/A	N/A	N/A	N/A	N/A
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

Low-Income (below 60%):

SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	1	\$868	432	1	93.8%	\$2.01
1 bedroom	2	\$930	799	1	92.3%	\$1.16
2 bedrooms	3	\$1,116	962	1	91.9%	\$1.16
3 bedrooms	1	\$1,290	1,463	2	91.4%	\$0.88
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

Other Income (User-defined)

SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	0	N/A	N/A	N/A	N/A	N/A
2 bedrooms	0	N/A	N/A	N/A	N/A	N/A
3 bedrooms	0	N/A	N/A	N/A	N/A	N/A
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

Market Rate (unrestricted occupancy):

SRO	0	N/A	N/A	N/A
0 bedroom	1	\$846	432	1
1 bedroom	3	\$1,077	762	1
2 bedrooms	5	\$1,259	922	1
3 bedrooms	1	\$1,473	1,463	2
4 bedrooms	0	N/A	N/A	N/A

N/A
\$1.96
\$1.41
\$1.37
\$1.01
N/A

21-Year Operating Proforma (Years 1-5)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 1 2008	Year 2 2009	Year 3 2010	Year 4 2011	Year 5 2012
INCOME:					
Low-Income, Rental Assisted	\$0	\$0	\$0	\$0	\$0
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	88,392	90,160	91,963	94,722	97,564
Other Income (User-defined)	0	0	0	0	0
Market Rate	142,140	144,983	147,882	152,319	156,888
<i>Gross Potential Income</i>	230,532	235,143	239,845	247,041	254,452
Less vacancy	11,527	11,757	11,992	12,352	12,723
<i>Effective Gross Residential Income</i>	219,005	223,386	227,853	234,689	241,729
Commercial (includes parking)	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
<i>Effective Rental Income</i>	219,005	223,386	227,853	234,689	241,729
Other Income: Laundry	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
<i>Total Gross Income</i>	219,005	223,386	227,853	234,689	241,729
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	12,750
<i>Total Effective Income</i>	\$219,005	\$223,386	\$227,853	\$234,689	\$254,479
EXPENSES:					
Management Fee	11,000	11,220	11,444	11,788	12,782
Administrative	14,045	14,466	14,900	15,645	16,428
Maintenance	21,950	22,609	23,287	24,451	25,674
Resident Services	0	0	0	0	0
Security	1,200	1,236	1,273	1,337	1,404
Electrical	1,500	1,545	1,591	1,671	1,754
Natural Gas	2,000	2,060	2,122	2,228	2,339
Oil (heat)	0	0	0	0	0
Water & Sewer	10,200	10,506	10,821	11,362	11,930
Replacement Reserve	5,525	5,691	5,861	6,155	6,462
Operating Reserve	0	0	0	0	0
Real Estate Taxes	13,600	13,940	14,289	14,717	15,159
Other Taxes	0	0	0	0	0
Insurance	10,000	10,300	10,609	11,139	11,696
MIP	0	0	0	0	0
Other:	0	0	0	0	0
<i>Total Operating Expenses</i>	\$91,020	\$93,573	\$96,198	\$100,493	\$105,628
NET OPERATING INCOME	\$127,985	\$129,813	\$131,655	\$134,196	\$148,851
Debt Service	\$109,790	\$109,790	\$109,790	\$109,790	\$109,790
<i>Debt Service Coverage</i>	1.17	1.18	1.20	1.22	1.36
Project Cash Flow	\$18,195	\$20,023	\$21,865	\$24,405	\$39,061
Required Debt Coverage	\$126,259	\$126,259	\$126,259	\$126,259	\$126,259
(Gap)/Surplus for Cov.	\$1,727	\$3,554	\$5,397	\$7,937	\$22,593

21-Year Operating Proforma (Years 6-10)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 6 2013	Year 7 2014	Year 8 2015	Year 9 2016	Year 10 2017
INCOME:					
Low-Income, Rental Assisted	\$0	\$0	\$0	\$0	\$0
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	100,490	103,505	106,610	109,809	113,103
Other Income (User-defined)	0	0	0	0	0
Market Rate	161,595	166,443	171,436	176,579	181,877
<i>Gross Potential Income</i>	262,086	269,948	278,047	286,388	294,980
Less vacancy	13,104	13,497	13,902	14,319	14,749
<i>Effective Gross Residential Income</i>	248,981	256,451	264,144	272,069	280,231
Commercial Income	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
<i>Effective Rental Income</i>	248,981	256,451	264,144	272,069	280,231
Laundry Income	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
<i>Total Gross Income</i>	248,981	256,451	264,144	272,069	280,231
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	13,600	12,250	0	5,000	5,000
<i>Total Effective Income</i>	\$262,581	\$268,701	\$264,144	\$277,069	\$285,231
EXPENSES:					
Management Fee	13,189	13,496	13,267	13,916	14,326
Administrative	17,249	18,111	19,017	19,968	20,966
Maintenance	26,957	28,305	29,720	31,206	32,767
Resident Services	0	0	0	0	0
Security	1,474	1,547	1,625	1,706	1,791
Electrical	1,842	1,934	2,031	2,133	2,239
Natural Gas	2,456	2,579	2,708	2,843	2,986
Oil (heat)	0	0	0	0	0
Water & Sewer	12,527	13,153	13,811	14,501	15,226
Replacement Reserve	6,785	7,125	7,481	7,855	8,248
Operating Reserve	0	0	0	0	0
Real Estate Taxes	15,917	16,712	17,548	18,425	19,347
Other Taxes	0	0	0	0	0
Insurance	12,281	12,895	13,540	14,217	14,928
MIP	0	0	0	0	0
Other:	0	0	0	0	0
<i>Total Operating Expenses</i>	\$110,677	\$115,859	\$120,748	\$126,772	\$132,824
NET OPERATING INCOME	\$151,904	\$152,842	\$143,396	\$150,297	\$152,406
Debt Service	\$109,790	\$109,790	\$109,790	\$109,790	\$109,790
Debt Service Coverage	1.38	1.39	1.31	1.37	1.39
Project Cash Flow	\$42,114	\$43,051	\$33,606	\$40,507	\$42,616
Required Debt Coverage	\$126,259	\$126,259	\$126,259	\$126,259	\$126,259
(Gap)/Surplus for Cov.	\$25,645	\$26,583	\$17,137	\$24,038	\$26,148

21-Year Operating Proforma (Years 11-15)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 11 2018	Year 12 2019	Year 13 2020	Year 14 2021	Year 15 2022
INCOME:					
Low-Income, Rental Assisted	\$0	\$0	\$0	\$0	\$0
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	116,496	119,991	123,591	127,298	131,117
Other Income (User-defined)	0	0	0	0	0
Market Rate	187,333	192,953	198,742	204,704	210,845
<i>Gross Potential Income</i>	303,829	312,944	322,332	332,002	341,962
Less vacancy	15,191	15,647	16,117	16,600	17,098
<i>Effective Gross Residential Income</i>	288,638	297,297	306,216	315,402	324,864
Commercial (includes parking)	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
<i>Effective Rental Income</i>	288,638	297,297	306,216	315,402	324,864
Other Income: Laundry	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
<i>Total Gross Income</i>	288,638	297,297	306,216	315,402	324,864
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	30,000	5,000	5,000	5,000	15,000
<i>Total Effective Income</i>	\$318,638	\$302,297	\$311,216	\$320,402	\$339,864
EXPENSES:					
Management Fee	16,004	15,183	15,631	16,093	17,070
Administrative	22,015	23,115	24,271	25,485	26,759
Maintenance	34,405	36,125	37,932	39,828	41,820
Resident Services	0	0	0	0	0
Security	1,881	1,975	2,074	2,177	2,286
Electrical	2,351	2,469	2,592	2,722	2,858
Natural Gas	3,135	3,292	3,456	3,629	3,810
Oil (heat)	0	0	0	0	0
Water & Sewer	15,988	16,787	17,627	18,508	19,433
Replacement Reserve	8,660	9,093	9,548	10,025	10,526
Operating Reserve	0	0	0	0	0
Real Estate Taxes	20,314	21,330	22,396	23,516	24,692
Other Taxes	0	0	0	0	0
Insurance	15,674	16,458	17,281	18,145	19,052
MIP	0	0	0	0	0
Other:	0	0	0	0	0
<i>Total Operating Expenses</i>	\$140,427	\$145,828	\$152,808	\$160,128	\$168,307
NET OPERATING INCOME	\$178,210	\$156,469	\$158,408	\$160,274	\$171,557
Debt Service	\$109,790	\$109,790	\$109,790	\$109,790	\$109,790
<i>Debt Service Coverage</i>	1.62	1.43	1.44	1.46	1.56
Project Cash Flow	\$68,420	\$46,679	\$48,618	\$50,484	\$61,767
Required Debt Coverage	\$126,259	\$126,259	\$126,259	\$126,259	\$126,259
(Gap)/Surplus for Cov.	\$51,952	\$30,210	\$32,149	\$34,015	\$45,298

21-Year Operating Proforma (Years 16-21)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 16 2023	Year 17 2024	Year 18 2025	Year 19 2026	Year 20 2027	Year 21 2028
ME:						
Low-Income, Rent. Astd.	\$0	\$0	\$0	\$0	\$0	\$0
Low-Income, Below 50%	0	0	0	0	0	0
Low-Income, Below 60%	135,051	139,102	143,275	147,574	152,001	156,561
Other Income (User-defin	0	0	0	0	0	0
Market Rate	217,170	223,685	230,396	237,308	244,427	251,760
Gross Potential Income	352,221	362,788	373,671	384,882	396,428	408,321
Less vacancy	17,611	18,139	18,684	19,244	19,821	20,416
Eff. Gross Res. Income	334,610	344,648	354,988	365,638	376,607	387,905
Commercial Income	0	0	0	0	0	0
Less vacancy	0	0	0	0	0	0
Net Commercial Income	0	0	0	0	0	0
Effective Rental Income	334,610	344,648	354,988	365,638	376,607	387,905
Other Income: Laundry	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Gross Income	334,610	344,648	354,988	365,638	376,607	387,905
Operating Subsidies	0	0	0	0	0	0
Draw on Operating Res.	16,000	14,000	5,000	5,000	5,000	5,000
Total Effective Income	\$350,610	\$358,648	\$359,988	\$370,638	\$381,607	\$392,905

EXPENSES:

Management Fee	17,610	18,014	18,081	18,616	19,167	19,734
Administrative	28,097	29,502	30,977	32,526	34,152	35,859
Maintenance	43,911	46,106	48,411	50,832	53,374	56,042
Resident Services	0	0	0	0	0	0
Security	2,401	2,521	2,647	2,779	2,918	3,064
Electrical	3,001	3,151	3,308	3,474	3,647	3,830
Natural Gas	4,001	4,201	4,411	4,632	4,863	5,106
Oil (heat)	0	0	0	0	0	0
Water & Sewer	20,405	21,425	22,496	23,621	24,802	26,042
Replacement Reserve	11,053	11,605	12,186	12,795	13,435	14,106
Operating Reserve	0	0	0	0	0	0
Real Estate Taxes	25,926	27,223	28,584	30,013	31,514	33,089
Other Taxes	0	0	0	0	0	0
Insurance	20,005	21,005	22,055	23,158	24,316	25,532
MIP	0	0	0	0	0	0
Other:	0	0	0	0	0	0
Total Operating Expenses	\$176,409	\$184,752	\$193,157	\$202,445	\$212,188	\$222,406

NET OPER. INC.

	\$174,201	\$173,896	\$166,831	\$168,192	\$169,419	\$170,499
Debt Service	\$109,790	\$109,790	\$109,790	\$109,790	\$109,790	\$109,790
Debt Service Coverage	1.59	1.58	1.52	1.53	1.54	1.55
Project Cash Flow	\$64,411	\$64,106	\$57,041	\$58,402	\$59,629	\$60,708
Required Debt Coverage	\$126,259	\$126,259	\$126,259	\$126,259	\$126,259	\$126,259
(Gap)/Surplus for Cov.	\$47,943	\$47,637	\$40,572	\$41,933	\$43,160	\$44,240

Operating Expense Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

	<i>Residential Total</i>	<i>Residential Per Unit</i>	<i>Residential Per S. F.</i>	<i>Commercial Total</i>	<i>Commercial Per S. F.</i>
Management Fee	\$11,000	\$647.06	\$0.52	\$0	N/A
Payroll, Administrative	\$3,000	\$176.47	\$0.14	\$0	N/A
Payroll Taxes & Benefits, Admin.	\$1,000	\$58.82	\$0.05	\$0	N/A
Legal	\$1,000	\$58.82	\$0.05	\$0	N/A
Audit	\$3,500	\$205.88	\$0.17	\$0	N/A
Marketing	\$1,700	\$100.00	\$0.08	\$0	N/A
Telephone	\$0	\$0.00	\$0.00	\$0	N/A
Office Supplies	\$0	\$0.00	\$0.00	\$0	N/A
Accounting & Data Processing	\$750	\$44.12	\$0.04	\$0	N/A
Investor Servicing	\$0	\$0.00	\$0.00	\$0	N/A
DHCD Monitoring Fee	\$595	\$35.00	\$0.03	\$0	N/A
Other:	\$2,500	\$147.06	\$0.12	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Subtotal: Administrative	\$14,045	\$826.18	\$0.67	\$0	N/A
Payroll, Maintenance	\$4,000	\$235.29	\$0.19	\$0	N/A
Payroll Taxes & Benefits, Admin.	\$1,200	\$70.59	\$0.06	\$0	N/A
Janitorial Materials	\$850	\$50.00	\$0.04	\$0	N/A
Landscaping	\$3,600	\$211.76	\$0.17	\$0	N/A
Decorating (inter. only)	\$0	\$0.00	\$0.00	\$0	N/A
Repairs (inter. & ext.)	\$5,100	\$300.00	\$0.24	\$0	N/A
Elevator Maintenance	\$500	\$29.41	\$0.02	\$0	N/A
Trash Removal	\$2,100	\$123.53	\$0.10	\$0	N/A
Snow Removal	\$4,200	\$247.06	\$0.20	\$0	N/A
Extermination	\$400	\$23.53	\$0.02	\$0	N/A
Recreation	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Subtotal: Maintenance	\$21,950	\$1,291.18	\$1.04	\$0	N/A
Resident Services	\$0	\$0.00	\$0.00	\$0	N/A
Security	\$1,200	\$70.59	\$0.06	\$0	N/A
Electricity	\$1,500	\$88.24	\$0.07	\$0	N/A
Natural Gas	\$2,000	\$117.65	\$0.09	\$0	N/A
Oil	\$0	\$0.00	\$0.00	\$0	N/A
Water & Sewer	\$10,200	\$600.00	\$0.48	\$0	N/A
Subtotal: Utilities	\$13,700	\$805.88	\$0.65	\$0	N/A
Replacement Reserve	\$5,525	\$325.00	\$0.26	\$0	N/A
Operating Reserve	\$0	\$0.00	\$0.00	\$0	N/A
Real Estate Taxes	\$13,600	\$800.00	\$0.65	\$0	N/A
Other Taxes	\$0	\$0.00	\$0.00	\$0	N/A
Insurance	\$10,000	\$588.24	\$0.47	\$0	N/A
MIP	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Subtotal: Taxes, Insurance	\$23,600	\$1,388.24	\$1.12	\$0	N/A
TOTAL EXPENSES	\$91,020	\$5,354.12	\$4.32	\$0	N/A

Development Cost Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

	Residential Total	Residential Per Unit	Residential Per S. F.	Commercial Total	Commercial Per S. F.
Acquisition: Land	\$27,500	\$1,618	\$1.31	\$0	N/A
Acquisition: Building	\$0	\$0	\$0.00	\$0	N/A
Acquisition Subtotal	\$27,500	\$1,618	\$1.31	\$0	N/A
Direct Construction Budget	\$3,008,292	\$176,958	\$142.87	\$0	N/A
Construction Contingency	\$150,415	\$8,848	\$7.14	\$0	N/A
Subtotal: Construction	\$3,158,706	\$185,806	\$150.01	\$0	N/A
General Development Costs:					
Architecture & Engineering	\$0	\$0	\$0.00	\$0	N/A
Survey and Permits	\$10,000	\$588	\$0.47	\$0	N/A
Clerk of the Works	\$12,000	\$706	\$0.57	\$0	N/A
Environmental Engineer	\$5,000	\$294	\$0.24	\$0	N/A
Bond Premium	\$0	\$0	\$0.00	\$0	N/A
Legal	\$100,000	\$5,882	\$4.75	\$0	N/A
Title and Recording	\$15,000	\$882	\$0.71	\$0	N/A
Accounting & Cost Certificat.	\$3,500	\$206	\$0.17	\$0	N/A
Marketing and Rent Up	\$125,000	\$7,353	\$5.94	\$0	N/A
Real Estate Taxes	\$10,000	\$588	\$0.47	\$0	N/A
Insurance	\$18,000	\$1,059	\$0.85	\$0	N/A
Relocation	\$0	\$0	\$0.00	\$0	N/A
Appraisal	\$5,000	\$294	\$0.24	\$0	N/A
Security	\$1,000	\$59	\$0.05	\$0	N/A
Construction Loan Interest	\$45,200	\$2,659	\$2.15	\$0	N/A
Inspecting Engineer	\$8,200	\$482	\$0.39	\$0	N/A
Fees to: Trustee	\$5,000	\$294	\$0.24	\$0	N/A
Fees to: Rating agency	\$13,000	\$765	\$0.62	\$0	N/A
MIP	\$0	\$0	\$0.00	\$0	N/A
Credit Enhancement Fees	\$0	\$0	\$0.00	\$0	N/A
Letter of Credit Fees	\$25,000	\$1,471	\$1.19	\$0	N/A
Other Financing Fees	\$32,000	\$1,882	\$1.52	\$0	N/A
Development Consultant	\$50,000	\$2,941	\$2.37	\$0	N/A
Other:	\$4,000	\$235	\$0.19	\$0	N/A
Other:	\$0	\$0	\$0.00	\$0	N/A
Soft Cost Contingency	\$50,000	\$2,941	\$2.37	\$0	N/A
Subtotal: Gen. Dev.	\$536,900	\$31,582	\$25.50	\$0	N/A
Subtotal: Acquis., Const., and Gen. Dev.	\$3,723,106	\$219,006	\$176.82	\$0	N/A
Capitalized Reserves	\$5,525	\$325	\$0.26	\$0	N/A
Developer Overhead	\$183,850	\$10,815	\$8.73	\$0	N/A
Developer Fee	\$183,850	\$10,815	\$8.73	\$0	N/A
Total Development Cost	\$4,096,331	\$240,961	\$194.54	\$0	N/A
Total Net* Development Cost	\$3,989,475	\$234,675	\$189.47	\$0	N/A

(*Does not include any capitalized reserves nor any developer's fees or overhead which are contributed or loaned to the project.)

Section 2

DEVELOPMENT TEAM SUMMARY

62 . Developer/Sponsor Type

Limited dividend partnership

63 . Developer/Sponsor:

Form of Legal Entity

501 C-3 Non-profit

Legal Name

Common Ground Development Corporation

Address

167 Dutton St

Lowell, MA

Contact Person

Steven Joncas

(978) 452-3956

(978) 452-3967

E-mail

s.joncas@att.net

64 . Owner/Mortgagor:

Legal Name

Towne School Limited Partnership

Address

C/o Community Teamwork Inc.

167 Dutton St. Lowell, MA 01852

Has this entity already been formed?

No

Principals

Principals

Contact Person

Telephone No. / Fax. No.

E-mail

65 . General Partner:

Legal Name

Address

Has this entity already been formed?

No

Principal (if corporate)

Contact Person

% of Ownership

Telephone No. / Fax. No.

E-mail

66 . General Partner:

Legal Name

Address

Has this entity already been formed?

No

Principal (if corporate)

Contact Person

% of Ownership

Telephone No. / Fax. No.

E-mail

67 . Development Consultant:

Legal Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

68 . Contractor:

Name
Address

Fed Tax ID #
Contact Person
Telephone No. / Fax. No.
E-mail

J M Coull, Inc.
20 Powder Mill Road
Maynard, MA 01754
Chris Oldham
(978) 461-0330
(978) 461-0275
coldham@jmcoull.com

69 . Architect:

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

Maugel Associates, Inc.
200 Ayer Road
Harvard, MA 01451
Alan Popkin
(978) 456-2800
(978) 456-2801
apopkin@maugel.com

70 . Management Agent:

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

Community Teamwork, Inc.
167 Dutton Street
Lowell, MA 01852
Michael McDonough
(978) 459-0551
(978) 453-9128
mmcdonough@comteam.org

71 . Attorney (Real Estate):

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

Hall, Finnegan & Deschenes
1 Billerica Rd
Chelmsford, MA 01824
Atty Doug Deschenes
(978) 250-8877
(978) 250-0057
doug@hallfinn.com

72 . Attorney (Tax):

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

73 . Syndicator:

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

74 . Guarantor:

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

75 . Service Provider or Coordinator:

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

76 . Marketing Agent:

Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

Community Teamwork, Inc
167 Dutton Street
Lowell, MA 01852
William Lipchitz
(978) 459-0551
(978) 453-9128
blipchitz@comteam.org

77 .

Other role Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

78 .

Other role Name
Address

Contact Person
Telephone No. / Fax. No.
E-mail

79 . Is there any identity of interest between any members of the development team?

Yes

Common Ground Development Corporation is a non-profit subsidiary of Community Teamwork, Inc. The CTI board appoints the Common Ground Board and CTI's Executive Director serves as President of Common Ground and the Deputy Executive Director serves as the Assistant Treasurer.

80 . Please describe the relationship of the development entity to sponsoring organizations. Is the entity newly-formed or to-be-formed? Is it a single-purpose corporation? How will the parent corporation provide support to this entity? Include an organizational chart showing other affiliates of the parent corporation, as appropriate, and principals of each.

Common Ground Development Corporation will serve as the project developer/manager. The development entity will be a single purpose partnership formed only to own the project. CTI staff will provideservices including administration, accounting, property management and marketing/lottery tenant selection for the below market rate units. CTI also may provide financial resources including predevelopment funding and other financial guarantees depending upon the requirements of the project.

Section 3

SOURCES AND USES OF FUNDS

Sources of Funds

Private Equity:

81 . Developer's Cash Equity	\$10,000
82 . Tax Credit Equity (net amount) <i>(See line 360, Section 5, page 18.)</i>	\$1,100,000
83 . Developer's Fee/Overhead, Contributed or Loaned	\$101,331
84 . Other Source:	

Optional user calculations

Public Equity:

85 . HOME Funds, as Grant	\$
86 . Grant:	\$
87 . Grant:	\$
88 . Total Public Equity	\$0

Subordinate Debt (see definition):

	Amount	Rate	Amortiz.	Term
89 . Home Funds-DHCD, as Subordinate Debt	\$950,000	0.00%	25	25
Source:				
90 . Home Funds-Local, as Subordinate Debt	\$0 %		yrs.	yrs.
Source:				
91 . Subordinate Debt	\$350,000	0.00%	25	25
Source:	AHTF			
92 . Subordinate Debt	\$0 %		yrs.	yrs.
Source:				
93 . Subordinate Debt	\$0 %		yrs.	yrs.
Source:				
94 . Total Subordinate Debt	\$1,300,000			

Permanent Debt (Senior):

Permanent Debt (Senior):			Amount	Rate	Override	Amortiz.	Term	MIP
95	MHFA	MHFA Program 1	\$	%	%	yrs.	yrs.	%
96	MHFA	MHFA Program 2	\$	%	%	yrs.	yrs.	%
97	MHP Fund Permanent Loan		\$	%		yrs.	yrs.	%
98	Other Permanent Senior Mortgage		\$1,585,000	5.65%		30.00	30.00	%
	Source:	MassDevelopment Tax Exempt/M						
99	Other Permanent Senior Mortgage		\$	%		yrs.	yrs.	%
	Source:							
100	Total Permanent Senior Debt		\$1,585,000					
101	Total Permanent Sources		\$4,096,331					

Construction Period Financing:

	Amount	Rate	Term
102 . Construction Loan	\$0 %		mos.
Source:			
Repaid at:	(event)		
103 . Other Interim Loan	\$0 %		mos.
Source:			
Repaid at:	(event)		
104 . Syndication Bridge Loan	\$0 %		mos.
Source:			
Repaid at:	(event)		

Uses of Funds

The Contractor certifies that, to the best of their knowledge, the construction estimates, and trade-item breakdown on this page are complete and accurate.

Direct Construction:

105 . Who prepared the estimates? Jim Fabbri, JM Coull, Inc.

Name

Signature

Basis for estimates?

Conceptual, site observations, discussions with selected subcontractors

	DV	Trade Item	Amount	Description
107 .	3	Concrete	\$34,425	Sidewalks and Trench Infill
108 .	4	Masonry	\$60,000	Exterior Masonry Restoration CPA ?
109 .	5	Metals	\$75,000	Misc. iron, stair rails
110 .	6	Rough Carpentry	\$7,200	Wood blocking & carpentry
111 .	6	Finish Carpentry	\$136,000	Millwork
112 .	7	Waterproofing	\$30,000	Minor Roof Repairs
113 .	7	Insulation	\$0	Thermal Insulation Carried with Drywall
114 .	7	Roofing	\$15,000	Minor Roof Repairs
115 .	7	Sheet Metal and Flashing	\$0	
116 .	7	Exterior Siding	\$0	
117 .	8	Doors	\$113,550	Interior doors, frames and hardware
118 .	8	Windows	\$194,000	Replace windows
119 .	8	Glass	\$31,000	Entry frames doors and hardware
120 .	9	Lath & Plaster	\$0	
121 .	9	Drywall	\$271,278	Drywall and insulation
122 .	9	Tile Work	\$0	
123 .	9	Acoustical	\$0	
124 .	9	Wood Flooring	\$0	
125 .	9	Resilient Flooring	\$41,190	
126 .	9	Carpet	\$48,810	
127 .	9	Paint & Decorating	\$100,000	
128 .	10	Specialties	\$6,000	Toilet accessories
129 .	11	Special Equipment	\$0	
130 .	11	Cabinets	\$4,500	Fire extinguisher cabinets
131 .	11	Appliances	\$84,200	Appliances
132 .	12	Blinds & Shades	\$24,000	
133 .	13	Modular/Manufactured	\$0	
134 .	13	Special Construction	\$0	
135 .	14	Elevators or Conveying Syst.	\$90,000	
136 .	15	Plumbing & Hot Water	\$185,000	
137 .	15	Heat & Ventilation	\$67,500	
138 .	15	Air Conditioning	\$67,500	
139 .	15	Fire Protection	\$39,900	
140 .	16	Electrical	\$200,000	
141 .		Accessory Buildings	\$0	
142 .		Other/misc	\$0	
143 .		Subtotal Structural	\$1,926,053	
144 .	2	Earth Work	\$132,910	
145 .	2	Site Utilities	\$0	with earth work
146 .	2	Roads & Walks	\$0	with earth work
147 .	2	Site Improvement	\$50,000	Site Fencing
148 .	2	Lawns & Planting	\$40,000	
149 .	2	Geotechnical Conditions	\$0	
150 .	2	Environmental Remediation	\$50,000	
151 .	2	Demolition	\$100,000	
152 .	2	Unusual Site Cond	\$148,000	Sewer Betterment Fee CPA ?
153 .		Subtotal Site Work	\$520,910	
154 .		Total Improvements	\$2,446,963	
155 .	1	General Conditions	\$377,724	Gen.Cond., bldg. Prmt., management, design/engineering, insurance, bond
156 .		Subtotal	\$2,824,687	
157 .	1	Builders Overhead	\$183,605	
158 .	1	Builders Profit		
159 .		TOTAL	\$3,008,292	

160

Total Cost/square foot:

\$142.87

Residential Cost/s.f.:

\$142.87

Development Budget:

	Total	Residential	Commercial	Comments
161 . Acquisition: Land	\$27,500	\$27,500	\$0	Land Lease Payment
Acquisition: Building	\$0			
Acquisition Subtotal	\$27,500	\$27,500	\$0	
164 . Direct Construction Budget	\$3,008,292	\$3,008,292		(from line 159)
165 . Construction Contingency	\$150,415	\$150,415		5.0% of construction
166 . Subtotal: Construction	\$3,158,706	\$3,158,706	\$0	

General Development Costs:

167 . Architecture & Engineering	\$0	\$0		Included in Construction budget
168 . Survey and Permits	\$10,000	\$10,000		Permits included in construction budget
169 . Clerk of the Works	\$12,000	\$12,000		
170 . Environmental Engineer	\$5,000	\$5,000		
171 . Bond Premium	\$0	\$0		Included in construction budget
172 . Legal	\$100,000	\$100,000		Underwriter and bond counsel, MHP. Borrower atty
173 . Title and Recording	\$15,000	\$15,000		
174 . Accounting & Cost Cert.	\$3,500	\$3,500		
175 . Marketing and Rent Up	\$125,000	\$125,000		Assumes 25000 for marketing and 100000 for leaseup
176 . Real Estate Taxes	\$10,000	\$10,000		
177 . Insurance	\$18,000	\$18,000		
178 . Relocation	\$0	\$0		
179 . Appraisal	\$5,000	\$5,000		
180 . Security	\$1,000	\$1,000		
181 . Construction Loan Interest	\$45,200	\$45,200		Assumes HOME an AHTF in first. 60% draw 8 months
182 . Inspecting Engineer	\$8,200	\$8,200		
183 . Fees to: Trustee	\$5,000	\$5,000		
184 . Fees to: Rating agency	\$13,000	\$13,000		
185 . MIP	\$0	\$0		
186 . Credit Enhancement Fees	\$0	\$0		
Letter of Credit Fees	\$25,000	\$25,000		Letter of Credit fees
Other Financing Fees	\$32,000	\$32,000		MATCH app and Commitment fees
189 . Development Consultant	\$50,000	\$50,000		
190 . Other: Printing	\$4,000	\$4,000		
191 . Other:	\$0			
192 . Soft Cost Contingency	\$50,000	\$50,000		10.0% of soft costs
193 . Subtotal: Gen. Dev.	\$536,900	\$536,900	\$0	

194 . Subtotal: Acquis., Const and Gen. Dev.	\$3,723,106	\$3,723,106	\$0
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195 . Capitalized Reserves	\$5,525	\$5,525		Assumes 325 per unit
196 . Developer Overhead	\$183,850	\$183,850		Assumes 5%
197 . Developer Fee	\$183,850	\$183,850		Assumes 5%

198 . Total Development Cost	\$4,096,331	\$4,096,331	\$0	TDC per unit	\$240,961
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199 . TDC, Net	\$3,989,475	\$3,989,475	\$0	TDC, Net per unit	\$234,675
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Additional Detail on Development Pro-Forma:

200 . Gross Syndication Investment

Off-Budget Costs:**Syndication Costs:**

201 . Syndication Legal

\$20,000

202 . Syndication Fees

\$15,000

203 . Syndication Consultants

\$5,000

204 . Bridge Financing Costs

\$21,000

205 . Investor Servicing (capitalized)

206 . Other Syndication Expenses

207 . Total Syndication Expense

\$61,000

208 . Current Reserve Balance

Reserves (capitalized):

209 . Development Reserves

210 . Initial Rent-Up Reserves

211 . Operating Reserves

212 . Net Worth Account

213 . Other Capitalized Reserves

\$5,525

214 . Subtotal: Capitalized Reserves

\$5,525

215 . Letter of Credit Requirements

216 . Total of the Above

\$5,525

Check: Line 214 is the same as line 195.

Please Answer The Following	Dev. Reserves	Initial Rent-Up	Op. Reserves	Net Worth	Other	Letter of Credit
Who requires the reserves?					Lender	
Who administers the reserves?					Lender	
When and how are they used?					Project shortfalls	
Under what circumstances can they be released?					none	

Unit Sales (For Sale Projects Only):

217 . Gross Sales From Units

\$

218 . Cost of Sales (Commissions, etc.)

\$

219 . Net Receipt from Sales

\$0

Debt Service Requirements:

220 . Minimum Debt Service Coverage

1.15

221 . Is this Project subject to HUD Subsidy Layering Review?

No

Optional user comments

Section 4

OPERATING PRO-FORMA

Operating Income				
Rent Schedule:	Contract Rent	Utility Allowance	Total Gross Rent	No. of Units
222 . Low-Income (Rental Assisted):				
SRO			\$0	0
0 bedroom			\$0	0
1 bedroom			\$0	0
2 bedrooms			\$0	0
3 bedrooms			\$0	0
4 bedrooms			\$0	0
223 . Low-Income (below 50%):				
SRO			\$0	0
0 bedroom			\$0	0
1 bedroom			\$0	0
2 bedrooms			\$0	0
3 bedrooms			\$0	0
4 bedrooms			\$0	0
224 . Low-Income (below 60%):				
SRO			\$0	0
0 bedroom	\$868	(\$54)	\$814	1
1 bedroom	\$930	(\$73)	\$857	2
2 bedrooms	\$1,116	(\$91)	\$1,025	3
3 bedrooms	\$1,290	(\$112)	\$1,178	1
4 bedrooms			\$0	0
225 . Other Income (User-defined)				
SRO			\$0	0
0 bedroom			\$0	0
1 bedroom			\$0	0
2 bedrooms			\$0	0
3 bedrooms			\$0	0
4 bedrooms			\$0	0
226 . Market Rate (unrestricted occupancy):				
SRO				0
0 bedroom	\$846			1
1 bedroom	\$1,077			3
2 bedrooms	\$1,259			5
3 bedrooms	\$1,473			1
4 bedrooms				0
Commercial Income: 227 . Square Feet: <input style="width: 100px;" type="text" value="0"/> @ <input style="width: 100px;" type="text" value="(average)"/> /square foot = <input style="width: 100px;" type="text" value="\$0"/>				
Parking Income: 228 . Spaces: <input style="width: 100px;" type="text" value="36"/> @ <input style="width: 100px;" type="text" value="(average)"/> \$0.00 /month x 12 = <input style="width: 100px;" type="text" value="\$0"/>				

229 . Laundry Income (annual):

Optional user calculations

230 . Other Income:a.

- b.
- c.
- d.
- e.
- f.

231 . Low-Income (Rental Assistance)

5.0%
5.0%

[illegible]

237 . Low-Income (Rental Assistance)

238 . Low-Income (below 50%)	
239 . Low-Income (below 60%)	
240 . Other Income (User-defined)	
241 . Market Rate	
242 . Commercial Space Rental	
243 . Laundry Income	
244 a Other Income	-
b Other Income	-
c Other Income	-
d Other Income	-
e Other Income	-
f Other Income	-

[illegible]

245 . Subsidy Source I

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	52
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246 . Subsidy Source II

247 . Capitalized Operating Reserve Amount:

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Source:

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248 . Yearly Draws on Subsidies and Reserves:

	<i>Subsidy Source I</i>	<i>Subsidy Source II</i>
Year 1	\$	\$
Year 2	\$	\$
Year 3	\$	\$
Year 4	\$	\$
Year 5	\$	\$
Year 6	\$	\$
Year 7	\$	\$
Year 8	\$	\$
Year 9	\$	\$
Year 10	\$	\$
Year 11	\$	\$
Year 12	\$	\$
Year 13	\$	\$
Year 14	\$	\$
Year 15	\$	\$
Year 16	\$	\$
Year 17	\$	\$
Year 18	\$	\$
Year 19	\$	\$
Year 20	\$	\$
Year 21	\$	\$

<i>Draw on Oper. Reserve</i>
\$0
\$0
\$0
\$0
\$12,750
\$13,600
\$12,250
\$0
\$5,000
\$5,000
\$30,000
\$5,000
\$5,000
\$5,000
\$15,000
\$16,000
\$14,000
\$5,000
\$5,000
\$5,000
\$5,000

249 . Annual Operating Income (year 1)

	\$219,005
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Operating Expenses				
Annual Operating Exp.:	Total	Residential	Commercial	Comments
250 . Management Fee	\$11,000	\$11,000		Five percent of gross
251 . Payroll, Administrative	\$3,000	\$3,000		CTI staff
252 . Payroll Taxes & Benefits, Admin.	\$1,000	\$1,000		CTI staff
253 . Legal	\$1,000	\$1,000		
254 . Audit	\$3,500	\$3,500		
255 . Marketing	\$1,700	\$1,700		one hundred per unit post leaseup
256 . Telephone	\$0	\$0		None on site
257 . Office Supplies	\$0	\$0		Provided by CTI
258 . Accounting & Data Processing	\$750	\$750		Provided by CTI
259 . Investor Servicing	\$0	\$0		Paid up front
260 . DHCD Monitoring Fee	\$595	\$595		
261 . Lease payment	\$2,500	\$2,500		Proposed lease pymt to Acton
262 . Other:	\$0			
263 . Subtotal: Administrative	\$14,045	\$14,045	\$0	
264 . Payroll, Maintenance	\$4,000	\$4,000		CTI Staff
265 . Payroll Taxes & Benefits, Admin.	\$1,200	\$1,200		CTI Staff
266 . Janitorial Materials	\$850	\$850		
267 . Landscaping	\$3,600	\$3,600		CTI Staff
268 . Decorating (inter. only)	\$0	\$0		
269 . Repairs (inter. & ext.)	\$5,100	\$5,100		
270 . Elevator Maintenance	\$500	\$500		
271 . Trash Removal	\$2,100	\$2,100		
272 . Snow Removal	\$4,200	\$4,200		
273 . Extermination	\$400	\$400		
274 . Recreation	\$0	\$0		
275 . Other:	\$0	\$0		
276 . Subtotal: Maintenance	\$21,950	\$21,950	\$0	
277 . Resident Services	\$0	\$0		
278 . Security	\$1,200	\$1,200		Alarm maintenance
279 . Electricity	\$1,500	\$1,500		Common areas only
280 . Natural Gas	\$2,000	\$2,000		Common areas only
281 . Oil	\$0	\$0		
282 . Water & Sewer	\$10,200	\$10,200		Assumes average \$50 per unit/month
283 . Subtotal: Utilities	\$13,700	\$13,700	\$0	
284 . Replacement Reserve	\$5,525	\$5,525		
285 . Operating Reserve	\$0	\$0		
286 . Real Estate Taxes	\$13,600	\$13,600		
287 . Other Taxes	\$0	\$0		
288 . Insurance	\$10,000	\$10,000		
289 . MIP	\$0	\$0		
290 . Other:	\$0	\$0		
291 . Subtotal: Taxes, Insurance	\$23,600	\$23,600	\$0	
292 . TOTAL EXPENSES	\$91,020	\$91,020	\$0	

Other Operating Expense Assumptions**Trending Assumptions for Expenses**

	Year 2	Year 3	Years 4-5	Years 6-20
293 . Sewer & Water	3.0%	3.0%	5.0%	5.0%
294 . Real Estate Taxes	2.5%	2.5%	3.0%	5.0%
295 . All Other Operating Expenses	3.0%	3.0%	5.0%	5.0%

Reserve Requirements:

296 . Replacement Reserve Requirement	\$325.00	per unit per year
297 . Operating Reserve Requirement	\$250.00	per unit per year

Debt Service:

		Annual Payment
298 . MHFA	MHFA Program 1	N/A
299 . MHFA	MHFA Program 2	N/A
300 . MHP Fund Permanent Loan		N/A
301 . Other Permanent Senior Mortgage		\$109,790
Source:	N/A	
302 . Other Permanent Senior Mortgage		N/A
Source:	N/A	
303 . Total Debt Service (Annual)		\$109,790
304 . Net Operating Income	\$127,985	(in year one)
305 . Debt Service Coverage	1.17	(in year one)

Affordability: Income Limits and Maximum Allowable Rents

306 . County MSA

This MSA does not match the county you have chosen

307 . **Maximum Allowed Rents, by Income, by Unit Size:** Income Limits last updated on

These numbers are estimated numbers. Please compare with HUD numbers and change if necessary. The HUD numbers can be obtained at www.huduser.org/datasets/il.html

	Maximum Income			Maximum Rent (calculated from HUD income data)		
	50%	60%	0%	50%	60%	0%
SRO	\$28,900	\$34,700	\$0	\$723	\$868	\$0
0 bedroom	\$28,900	\$34,700	\$0	\$723	\$868	\$0
1 bedroom	\$31,000	\$37,150	\$0	\$775	\$929	\$0
2 bedrooms	\$37,150	\$44,600	\$0	\$929	\$1,115	\$0
3 bedrooms	\$42,950	\$51,550	\$0	\$1,074	\$1,289	\$0
4 bedrooms	\$47,900	\$57,500	\$0	\$1,198	\$1,438	\$0
Area median income for a family of	\$82,600					

308 . **H.U.D. "Fair Market Rents" (Maximum):**

0 bedroom	\$1,025
1 bedroom	\$1,077
2 bedrooms	\$1,266
3 bedrooms	\$1,513
4 bedrooms	\$1,676
5 bedrooms	\$1,927

FMR Information last updated on

Application Date: 2/11/06 Revised Date: 2/21/06

Section 5

LOW INCOME HOUSING TAX CREDITS

Percent of Project Which Qualifies for Tax Credit

332 . Low-Income Units	7		Total Units:	17
333 . Percent of Units	41.2%			
334 . Low-Income Square Feet	6,379	s.f.	Total Area:	15,170 s.f.
335 . Percent of Area	42.1%			
336 . Applicable Percentage	41.2%	(This is the lower of lines 333 and 335 above.)		
337 . Is the project utilizing tax-exempt financing?	Yes			
338 . Does the project qualify for an acquisition credit?	No			
339 . Does the rehabilitation qualify for a 9% rather than 4% credit?	No			
340 . How much financing is nonqualified (federally subsidized?)	\$1,635,000			
341 . What grant funds must be subtracted from acquisition basis?	\$0			
342 . What grant funds must be subtracted from rehabilitation basis?	\$0			
343 . Will the project have a minimum of 20% of units for households earning less than 50% of median, or 40% for less than 60% of median?	40% Of Units			

Historic Tax Credit:

344 . Does the project qualify for historic tax credits?	Yes
What are the rehabilitation costs which are not qualified for historic credits?	\$350,000

Project Qualification for 130%:

346 . Is the project located in a "qualified census tract" or in a "difficult to develop" area?	No
---	----

Calculation of Maximum Tax Credit Amount

	Acquisition Credit		Rehabilitation Credit
347 . Total Eligible Development Costs	\$0		\$3,943,831
348 . Less: Portion of Grants Allocated to Basis	\$0		\$0
349 . Less: 20% Historic Rehab Credit Basis Reduction	\$0		\$718,766
350 . Less: Nonqualified source of financing	\$0		\$1,308,000
351 . Subtotal: Eligible Basis	\$0		\$1,917,065
352 . "Hard to develop" area	100%		100%
353 . Percent Low-Income	41.2%		41.2%
354 . Applicable Rate	3.66%		8.53%
355 . Maximum Annual Tax Credit Amount	\$0		\$67,373
356 . Total Annual Tax Credit Amount			\$67,373
357 . Estimated Net LIHTC Syndication Yield	\$ 0.80	rate per \$	\$538,981
358 . Est. Net Historic Tax Credit Syndication Yield	\$ 0.80	rate per \$	\$575,013
359 . Total Estimated Net Tax Credit Syndication Yield (based on above)			\$1,113,994
360 . Applicant's Estimate of Net Tax Credit Equity.			\$1,100,000 (from line 82)

[Note: This page represents a rough estimate of low income credits for which this project may be eligible. It does not represent a final determination.]

	Total Residential	Percentage of Costs Not in Depreciable Basis	Acquisition Credit Basis	Rehabilitation Credit Basis	Not In Basis
361 . Acquisition: Land	\$27,500				\$27,500
362 . Acquisition: Building	\$0		\$0	\$0	\$0
363 . Acquisition Subtotal	\$27,500		\$0	\$0	\$27,500
364 . Direct Construction Budget	\$3,008,292		\$0	\$3,008,292	
365 . Construction Contingency	\$150,415		\$0	\$150,415	
366 . Subtotal: Construction	\$3,158,706		\$0	\$3,158,706	\$0
General Development Costs:					
367 . Architecture & Engineering	\$0	0%		\$0	\$0
368 . Survey and Permits	\$10,000	0%		\$10,000	\$0
369 . Clerk of the Works	\$12,000	0%		\$12,000	\$0
370 . Environmental Engineer	\$5,000	0%		\$5,000	\$0
371 . Bond Premium	\$0	0%		\$0	\$0
372 . Legal*	\$100,000	0%	\$0	\$100,000	\$0
373 . Title and Recording	\$15,000	0%	\$0	\$15,000	\$0
374 . Accounting & Cost Certificat.	\$3,500	0%	\$0	\$3,500	\$0
375 . Marketing and Rent Up*	\$125,000	100%			\$125,000
376 . Real Estate Taxes*	\$10,000	0%	\$0	\$10,000	\$0
377 . Insurance	\$18,000	0%	\$0	\$18,000	\$0
378 . Relocation	\$0	0%	\$0	\$0	\$0
379 . Appraisal	\$5,000	0%	\$0	\$5,000	\$0
380 . Security	\$1,000	0%	\$0	\$1,000	\$0
381 . Construction Loan Interest*	\$45,200	0%	\$0	\$45,200	\$0
382 . Inspecting Engineer	\$8,200	0%	\$0	\$8,200	\$0
Financing Fees* Trustee	\$5,000	0%	\$0	\$5,000	\$0
Financing Fees* Rating agency	\$13,000	0%	\$0	\$13,000	\$0
385 . MIP	\$0	0%	\$0	\$0	\$0
386 . Credit Enhancement Fees	\$0	0%	\$0	\$0	\$0
387 . Letter of Credit Fees*	\$25,000	0%	\$0	\$25,000	\$0
388 . Other Financing Fees*	\$32,000	0%	\$0	\$32,000	\$0
389 . Development Consultant	\$50,000	0%	\$0	\$50,000	\$0
390 . Other* Printing	\$4,000	0%	\$0	\$4,000	\$0
391 . Other*	\$0	0%	\$0	\$0	\$0
392 . Soft Cost Contingency*	\$50,000	0%	\$0	\$50,000	\$0
393 . Subtotal: Gen. Dev.	\$536,900		\$0	\$411,900	\$125,000
394 . Subtotal: Acquis., Const., and Gen. Dev.	\$3,723,106		\$0	\$3,570,606	\$152,500
395 . Developer Overhead	\$183,850		\$0	\$183,850	\$0
396 . Developer Fee/Profit	\$183,850		\$0	\$183,850	\$0
397 . Capitalized Reserves	\$5,525		\$0	\$5,525	\$0
398 . Total Development Cost	\$4,096,331				
399 . Total Net Development Cost	\$3,989,475				
400 . Total Eligible Tax Credit Basis	\$3,943,831		\$0	\$3,943,831	

* Some or all of these costs will typically be allocated to intangible assets or expensed.

Section 7

SIGNATURE PAGE

Project Name

Towne School Building Reuse

Date:

3	31	06
(month)	(day)	(year)

The applicant certifies that this application is complete and accurate, to the best of his/her knowledge, and that there are no material misrepresentations.

Mortgagor:

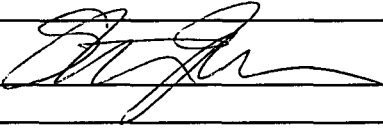

Towne School Limited Partnership

Exhibit 3:

Evidence of Zoning

3.2 Required Zoning Changes, Variances, Special Permits and/or Subdivision Approval

If the present zoning does not allow for the proposed use as designed, please include in this Exhibit copies of needed zone changes, variances, special permits and /or subdivision approval.

The site is located in the Residence 2 (R-2) zoning district, described in the Zoning Bylaw of the Town of Acton, amended through April of 2005.

The present zoning does not permit multi-family housing. In order to facilitate development of the site, Common Ground intends to work with town officials to permit the project as a Local Initiative Project (LIP), a zoning procedure that allows proponents and the town to come to agreement on the development program and seek a comprehensive permit from the Zoning Board of Appeals.

The LIP application would address density, number of units, parking and other dimensional variances required to undertake the project.

Exhibit 7:

Marketing Plan

**Towne School Development
Massachusetts Ave and Charter Road
Acton, MA
3/30/2006**

❑ **Executive Summary:**

The Towne School project includes the historic renovation of a former school into seventeen high quality apartments of varying bedroom sizes and layouts. Seven of the units will be leased at an “affordable” rate while the remaining ten units will be leased at a “market” rate. The project, small and attractive will make highly sought after in the market. Marketing efforts will leverage the efforts made to fill the affordable units and the associated public relations generated by virtue of the public-private partnership with the Town of Acton. Efficient, tested, professional marketing efforts will ensure that the units are filled expeditiously.

❑ **Project Description:**

Town of Acton declared this 2-story former school surplus. The town issued an RFP seeking developers to enter a 50 year lease to convert the vacant building to affordable rental housing with a minimum of 15 units. The construction is brick and concrete and is in good structural condition. It is located on Rte 111, Massachusetts Avenue, near the junction of Rtes 27 and 2. The proposed development program is a total of 17 units that includes studios, one, two and three bedroom units. The proposal is to develop 40% of the units for persons with incomes at or below 60% of median and the balance will be market rate (7 total affordable units and 10 market rate units). The unit size distribution includes:

- 2 studio apartments (1 affordable and 1 market rate unit)
- 5 one-bedroom apartment (2 affordable and 3 market rate units)
- 8 two-bedroom units (3 affordable and 5 market rate units)
- 2 three-bedroom units (1 affordable and 1 market rate unit)

❑ **Market Potential Analysis**

The market for high quality apartments in Acton remains strong. Potential tenants are attracted to the amenities in the town of Acton, including its historic, small town character and superior transportation access to the regional job market of Route 2 towards Cambridge and Boston and along I-495. The quality of the schools of the Acton-Boxborough School district adds to the attractiveness of location.

❑ **Competitive Analysis:**

It is expected that the project will have high level of attraction in the existing rental

marketplace. The project will compare favorably to the other existing rental opportunities in the area which are generally older garden-style apartments. The architecture of the project and others like it, which will include an historic renovation of an old schoolhouse, adds to the appeal and attractiveness of the project and allows it to stand out in the marketplace. The superior location of the project, adjacent to Massachusetts Ave and minutes to Route 2, adds to its competitive advantage.

Projected rents for the market rate units will also be competitive in the marketplace offering value to potential renters.

□ **Target Market/ Demographic Analysis:**

The target market is expected to include three types of renters:

- **Young professionals:** This market is characterized by individuals between the ages of 25 and 35, single or newly married, who are employed in professional services industries in the region. These individuals seek locations such as this due to the excellent access and proximity to Route 2. Members of this market segment will be candidates to occupy the studio, one bedroom and two bedroom units.
- **Families:** This market will be attracted due to the high demand created by the Acton-Boxborough School district. Families with one or two children, primarily, may include those who have children who attend the school complete across the street from the project. Members of this market segment will be candidates to occupy the three-bedroom unit and perhaps some of the two-bedroom units.
- **Older couples and elderly:** Aged 55 and above, this market segment includes older couples whose children have grown up and still wish to remain in Acton.

□ **Market And Absorption Objectives:**

It is expected that absorbing of the market-rate units will begin soon after the completion of the project. Absorption will continue at a rate of approximately two (2) units per month. Within six months, all units will be leased and occupied. The seven affordable units will be leased and occupied within 30 to 60 days of the completion of the project. There are ample funds available in the project budget to carry the project for a period well beyond what is estimated for full lease-up.

Project Milestones	Projected Commencement Date	Projected Completion Date
Permit Issued - Commence	2 nd Quarter	April 15, 2007

Construction		
50% Completion	3 rd Quarter 2007	September 15
Construction Completion	1 st Quarter 2008	February 15, 2008
First Certificate of Occupancy	1 st Quarter 2008	March 1, 2008
Affordable Units Lottery	January 2008	December 2007 to Jan 30 2008
Affordable Units Move in	March April 2008	May 1 Completion
Marketing \Lease-up remaining units	3 rd Quarter Projected absorption 2 per month	September 2008 Full Occupancy

❑ **Advertising and Sales Promotion:**

Advertising and marketing efforts for the Towne School project will directly and indirectly leverage the efforts made to lease the affordable units. The seven affordable units will be leased utilizing a housing lottery process. As part of the project, significant public outreach and public relations opportunities will be generated which will create a buzz in the market. Outreach will also include consultation about the availability of the affordable units to members of local institutions such as Town Offices, School Department, local and regional housing and social service agencies and other educational institutions.

The availability of units will be advertised in newspapers of local circulation, including the Acton Beacon and the Acton Unlimited as well as web sites and apartment listing services which have high market visibility.

Common Ground will also seek the services of an experienced real estate agency to directly market and lease the market rate units. Common Ground will select a capable firm with intimate knowledge of the market and a track record leasing apartments in Acton and its surrounding towns. In order to be competitive, the project includes funds for rental incentives, such as an offer to pay tenants moving expenses if they sign a lease at Towne School.

❑ **Marketing Schedule:**

Present a schedule of all marketing activities to take place before, during and after construction is completed. The schedule will mirror the time frame and activities used to market and lease up the Residences at Stony Brook, the recently completed Common Ground mixed-income development in Westford, MA.

Project Milestones	Time Frame	Marketing Activities
Permit Issued - Commence Construction	2 nd Quarter 2007	<ul style="list-style-type: none"> Identify leasing agent and sign marketing agreement

		<ul style="list-style-type: none"> • Revise and finalize marketing plan
50% Completion	3 rd Quarter 2007	<ul style="list-style-type: none"> • Finalize project signs; • Finalize and complete project brochures, flyers and newspaper advertisements; • Run newspaper ad; • Install project signs; • Outreach regarding affordable units;
Construction Completion	1 st Quarter 2008	<ul style="list-style-type: none"> • Complete outreach regarding affordable units; • Complete housing lottery for affordable units; • Run newspaper ad;
First Certificate of Occupancy	1 st Quarter 2008	<ul style="list-style-type: none"> • First open house;
Affordable Units Move in	March April 2008	<ul style="list-style-type: none"> • Sign leases and complete occupancy of affordable units;
Marketing \Lease-up remaining units	3 rd Quarter Projected absorption 2 per month	<ul style="list-style-type: none"> • Run newspaper ad; • Additional open house; • Sign leases and complete occupancy of affordable units.

□ **Marketing Team:**

Common Ground will utilize the expertise of the property management staff from its parent agency, Community Teamwork, Inc. The individuals which will oversee the marketing effort include:

- **Kathie Johnston:** Ms. Johnston currently oversees leasing for the three developments currently owned and managed by CTI/Common Ground. Among her responsibilities, Ms. Johnston handles outreach, marketing, tenant qualifications for the eighty-four units under management. Ms. Johnston has significant work experience in property management and oversight of large residential apartment complexes.

- **Michael McDonough:** As CTI's Associate Executive Director of Property and Energy Services, Mr. McDonough coordinates and oversees the entire property management function for CTI's property portfolio. In that capacity, he will support and coordinate marketing efforts and lease up for the Acton Towne School.

The staff will also seek the services of an experienced real estate agency to directly market and lease the market rate units. Common Ground will select a capable firm with intimate knowledge of the market and a track record leasing apartments in Acton and its surrounding towns.

□ **Marketing Budget:**

Submit an itemized budget for your marketing plan. The budget should show at least the level of detail outlined below:

Advertising Expense:	
Newspaper	3,000
Radio	0
Flyers	500
Brochures	500
Signage	1,000
Model Unit Expense:	
Furniture	0
Window Dressings	0
Floor Coverings	0
Various Accessories (dishes, glassware, wall hangings)	0
Design Consultant	0
Rental/ Sales Staff Expense:	
Rental/ Sales Staff Commission Rate	
Rental/ Sales Staff Commission Amount	6,500
Secretarial Staff	0
Office Supplies	0
Telephone Charges	0
Heating- A/C	0
Other Expenses (incentives)	2,500
Other Expenses (open house)	1,000
Total Estimated Marketing Budget	25,000
(Marketing Cost Per Unit)	2,500

Exhibit 8:

Affirmative Fair Marketing Plan

8.1 Direction Of Marketing Activity

Indicate below which group(s) in the housing market are *least likely to apply* for housing because of its location and other factors without special outreach efforts:

You have indicated which groups are least likely to apply for housing and would therefore require specific outreach to attract as applicants. Please submit the following additional information.

- ☐ White (non-Hispanic)
- ☒ Black (non-Hispanic)
- ☒ American Indian
- ☒ Hispanic
- ☒ Asian

8.2 Affirmative Fair Marketing Barriers

Indicate those factors that you anticipate will or may prevent the above indicated groups from applying.

- ☐ Location of project
 - ☒ Proximity to transportation
 - ☐ Racial hostility
 - ☐ Type of housing
 - ☐ Current and/or past patterns of segregation
 - ☒ Access to project advertising
 - ☒ Language barriers
 - ☒ Distance from usual social services/social activities
 - ☐ Current or past patterns of discrimination
 - ☒ Distance from church, religious institutions of preference
 - ☐ Other (state specific barrier):
-

8.3 Affirmative Fair Marketing Strategies

Indicate those actions and resources to be used for outreach to target group(s) .

- ☒ Minority media
- ☒ Community contact groups
- ☐ Church newsletters
- ☒ Local Fair Housing Committee
- ☐ Minority occupants of other housing managed by Management Agent
- ☐ Owner-sponsored trips to project site
- ☐ Professionals representing outreach groups (ministers, doctors, social workers, employers, etc.)
- ☐ Other (specify):

8.4 Affirmative Fair Marketing Goals

Indicate the percent of total occupancy of the project that you anticipate your fair

marketing efforts will/should accomplish. 10 %

☒ Minority (Black, Asian, Native American, Hispanic):

☒ Majority (non-Hispanic white): 90 %

Exhibit 9:

Equal Opportunity Questionnaire

The following is a questionnaire designed to aid each lender in assessing the proposed Development Team's past performance in matters of equal opportunity and to assist the lenders in providing technical assistance which will enable the developer to accomplish his/her goals. Please complete the form in its entirety.

Project Affirmative Action Plan/Program

The participating lenders and agencies require all mortgagors/developers requesting financing to seek out qualified minority and woman businesses and utilize their services. It is an objective of the participating lenders and agencies to create opportunities for minority and woman individuals and business firms to participate in all phases of the design, construction, and maintenance of financed projects.

A. Mortgagor/Developer.

- 9.1 What experience through past projects or activities does the developer have in developing affordable housing?

Common Ground recently completed a 15-unit mixed income rental project in partnership with the Town of Westford and the Westford Housing Authority. Common Ground acted as the project developer and owner. Common Ground's parent agency, Community Teamwork, Inc., oversaw marketing efforts and currently manages the project.

Common Ground has five affordable housing projects either planned or under construction in the City of Lowell. These projects contain 22 units and include both rental and homeownership units.

- 9.2 Attach a list providing the following information for all projects owned or developed by the developer during the past five years:

Project Name	<u>The Residences at Stony Brook</u>
Location:	<u>3-7 Farmer's Way, Westford MA</u>
	<u>01810</u>

% Minority Participation	<u>20%</u>
% Majority Participation	<u>80%</u>

Project Name	<u>Kelty House Condominiums</u>
Location:	<u>205 Worthen Street, Lowell MA</u>
% Minority Participation	<u>n/a</u>
% Majority Participation	<u>n/a</u>

- 9.3 Are any of the owners of the development firm a minority/ woman? What percentage of ownership does he/ she hold? What role does he/she play in the day-to-day management of the firm?

Common Ground is a non-profit 501(C)(3) corporation. Five of the eleven board members are women, including the president and the clerk. One board member is Asian American.

Development Team Members: Staff Employment and Board Breakdown

Please fill out one of these tables for every member of the development team (sponsor, contractor, management company, lawyer, architect, consultant, accountants, etc).

Company Community Teamwork, Inc./Common Ground Development Corp.

	YES	NO
Non- Profit*	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Minority- Owned	<input type="checkbox"/>	<input checked="" type="checkbox"/>

EMPLOYEES:	Total Employees			Professional Positions		Support/ Administrative Positions	
	Total	M	F	M	F	M	F
All	389	62	327	26	147	36	180
Total							
Caucasian	283	42	251	22	126	20	125
Total							
African-American	9	2	7	1	1	1	6
Total							
Hispanic	65	12	53	1	12	11	41
Total							
Asian/Asian-American	22	6	16	2	8	4	8
Total							
Other Ethnicity							

** (For all non-profit companies, please complete the following information regarding your Board Of Directors)*

	Total	M	F
All	23	12	11
Caucasian	18	9	9
African-American	2	1	1
Hispanic	1	0	1
Asian/Asian-American	2	2	0
Other Ethnicity			

- 9.4 Give the name, title and phone number of the person on the mortgagor/owner's staff who will be responsible for approval and monitoring of the development team's effort to meet equal opportunity and affirmative action goals and objective.

Steven Joncas, Executive Vice President/CEO 978.459.0551

- 9.5 Explain in detail the mortgagor's/owner's program to insure that the project's affirmative action plan program is effective during all phases of the construction, rent-up (or sales), and management of the proposed project. Specify methods of assistance, monitoring, and enforcement to be utilized by the mortgagor/owner toward the project's development team compliance with equal opportunity and affirmative action requirements.

Common Ground Development Corporation has established procedures to encourage the use of minority and women's business enterprises (MBE/WBE) in HOME-assisted housing in accordance with the Interim Rule of the Home Investment Partnerships (HOME) Program. These procedures are intended to further the objectives of Executive Orders 11625, 12432 and 12138.

(a) MBE/WBE participation in the HOME-assisted projects

1. To the maximum extent possible, known MBE/WBE will be notified of all potential contracts which Common Ground Development Corporation enters related to the provision of affordable housing under the HOME program by:
 - o Direct notification of contract opportunities sent to known MBE/WBE with capabilities, services, supplies and/or products which are related to housing development listed by the City of Lowell, the City of Boston, SOMBWA and Mass Housing MBE/WBE lists; and
 - o Notification of contract opportunities posted at the Lowell Small Business Assistance Center; or
 - o Published notices in the Lowell Sun and/or other minority/women oriented newspapers of bidding opportunities or bidding conferences for HOME assisted projects.
 - o Including the Equal Opportunity logo on all press materials related to contracting needs
 2. When economically feasible, Common Ground Development Corporation will divide total requirements into small tasks and quantities to permit the maximum participation by MBE/WBE and will require the same of general contractors hired by Common Ground Development Corporation.
 3. When economically feasible, Common Ground Development Corporation will establish delivery schedules which encourage MBE/WBE participation in HOME programs and will require the same of general contractors hired by Common Ground Development Corporation.
-

(b) Compliance

Common Ground Development Corporation will require that all general contractors hired by Common Ground Development Corporation comply with the MBE/WBE outreach program procedures. This requirement will be included as a legal covenant in any contract between Common Ground Development Corporation and general contractors.

(c) Record keeping procedures

Common Ground Development Corporation will maintain records which will describe MBE/WBE outreach activities taken and submit annual reports on MBE/WBE outreach activities to the DHCD as a condition of receipt of HOME funds.

(d) MBE/WBE outreach assessment and corrective actions

Common Ground Development Corporation will review annually the success of its MBE/WBE outreach efforts associated with the HOME programs and will take corrective action to strengthen any weaknesses in its MBE/VVBE outreach activities.

B. General Contractor: JM Coull, 20 Powder Mill Rd, Maynard MA

- 9.6 Attach a list providing the following information for all projects constructed by the general contractor during the past three years

Project Name	<u>The Residences at Stony Brook</u>
Location:	<u>3-7 Farmer's Way</u>
% Minority Staffing	<u>5</u>
% Majority Staffing	<u>95</u>
Minority Business Utilization	<u>\$55,000; 1.5%</u>
(Indicate both MBE dollar amount and % of total construction dollars.)	
Woman Business Utilization	<u>\$0; 0%</u>
(Indicate both WBE dollar amount and % of total construction dollars.)	

- 9.7 Give the name, title, and phone number of the general contractor's staff person(s) responsible for the equal opportunity and affirmative action program planning, implementation, and goals attainment on the proposed project.

Name	<u>Bob Hennessey</u>
Title	<u>Vice President</u>
Phone Number	<u>978-461-0331</u>

- 9.8 What specific affirmative action goals and objectives are planned by the general contractor in the areas of affirmative hiring of minorities and women, and utilization of minority and woman-owned businesses.

JM Coull is an equal opportunity employer. The firm will strive to meet any goals and objectives outlined by the development team and the project funders.

- 9.9 What is the general contractor's specific affirmative action program for the proposed project? State all equal opportunity hiring procedures, affirmative action outreach methods and resources, and any vigorous, innovative affirmative action steps planned.

JM Coull is an equal opportunity employer. The firm will strive to meet any goals and objectives outlined by the development team and the project funders.

- 9.10 Has the general contractor identified any anticipated barriers to affirmative action and equal opportunity goals attainment? ? If so, what alternative or additional affirmative actions are planned by the general contractor to overcome any anticipated affirmative action barriers on the proposed project?

C. Real Estate Manger

- 9.11 Give the name, title and phone number of the real estate manager's staff person(s) responsible for equal opportunity and affirmative action on the proposed project.

Name	<u>Michael McDonough</u>
Title	<u>Associate Executive Director, Property and Energy Services, CTI</u>
Phone Number	<u>978.459.0551</u>

- 9.12 Attach a copy of the real estate manager's E.O. policy.

- 9.13 List all Massachusetts developments managed by the real estate manager according to the following:

Project Name	<u>Merrimack Valley Apartments (CTI)</u>
Location:	<u>20 Calumet Rd, Methuen, MA</u>
% Minority Participation	<u>10%</u>
% Majority Participation	<u>90%</u>

Project Name	<u>423 Broadway</u>
Location:	<u>423 Broadway, Lowell MA 01854</u>
% Minority Participation	<u>71%</u>
% Majority Participation	<u>29%</u>
Project Name	<u>The Residences at Stony Brook</u>
Location:	<u>3-7 Farmer's Way, Westford MA</u>
	<u>01810</u>
% Minority Participation	<u>20%</u>
% Majority Participation	<u>80%</u>

- 9.14 Describe training given all employees regarding fair housing laws and the company's fair marketing plan.

CTI provides all of its employees with a seminar which provides an overview of the Fair Housing Law. This seminar lasts approximately 2 to 3 hours. Additional seminars are being developed which cover procedures related to identifying problems and handling Fair Housing complaints.

- 9.15 What percentage of the real estate manager's current annual expenditures for supplies, vendors, business, services and related products are from minority and woman-owned firms? Indicate names of minority and woman-owned firms utilized. (State goals and objectives in projected dollar amounts and percents of annual budget for goods and services.)

A small percentage of the real estate manager's current annual expenditures are from minority and women owned firms. CTI recently contracted with DM Landscaping, a minority-owned firm. CTI is reviewing its policies for minority and women owned firm utilization.